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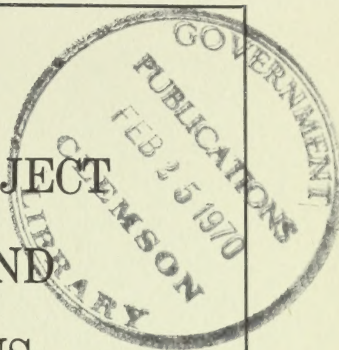
RECLAMATION PROJECT
FEASIBILITIES AND
AUTHORIZATIONS


1968

CUMULATIVE SUPPLEMENT
TO THE 1957 EDITION



UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION





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UNITED STATES DEPARTMENT OF THE INTERIOR

Walter J. Hickel, Secretary

BUREAU OF RECLAMATION

Ellis L. Armstrong, Commissioner

CUMULATIVE SUPPLEMENT
TO THE 1957 EDITION OF
BUREAU OF RECLAMATION
PROJECT FEASIBILITIES
AND AUTHORIZATIONS

A COMPILATION OF FINDINGS OF FEASIBILITIES
AND AUTHORIZATIONS FOR BUREAU OF
RECLAMATION PROJECTS THROUGH
THE NINETIETH CONGRESS

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THE DEVELOPMENT OF NATURAL RESOURCES

Created in 1849, the Department of the Interior—a Department of Conservation—is concerned with the management, conservation, and development of the Nation's water, fish, wildlife, mineral, forest, and park and recreational resources. It also has major responsibilities for Indian and Territorial affairs.

PROJECT FEASIBILITIES

AND AUTHORIZATIONS

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AND AUTHORIZATIONS FOR BUREAU OF
RECLAMATION PROJECTS THROUGH
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FOREWORD

FINDINGS OF FEASIBILITY AND PROJECT AUTHORIZATIONS

The criterion for authorization of Federal reclamation projects since their inception has been whether they are feasible. At the inauguration of the Federal reclamation program, Congress authorized the Secretary of the Interior to proceed with the construction of an irrigation project if the Secretary determined that the project was practicable and that the estimated cost of construction could be returned to the United States by the water users in not exceeding 10 annual installments.

Under the Reclamation Project Act of 1939, a finding of feasibility approved by the Secretary and sent to the President and the Congress is sufficient to authorize the construction of a reclamation project if the Secretary finds that the proposed project has engineering feasibility and if the estimated cost less allocations to flood control, navigation, and fish and wildlife, will probably be returned to the United States. Because of this feature, the finding of feasibility procedure is sometimes referred to as the "automatic" authorization. As a matter of policy, however, this means of authorization has not been used since 1952. Reclamation projects normally are authorized by specific Acts of Congress and only after transmittal of the Secretary's feasibility reports to the Congress and searching hearings by Congressional committees.

The original Reclamation Act of June 17, 1902 (32 Stat. 388), vested in the Secretary authority to construct feasible projects, section 2 of the act providing:

SEC. 2. That the Secretary of the Interior is hereby authorized and directed to make examinations and surveys for, and to locate and construct, as herein provided, irrigation works for the storage, diversion, and development of waters, including artesian wells, and to report to Congress at the beginning of each regular session as to the results of such examination and surveys, giving estimates of cost of all contemplated works, the quantity and location of the lands which can be irrigated therefrom, and all facts relative to the practicability of each irrigation project; also the cost of works in process of construction as well as of those which have been completed.

Section 3 of the act made it discretionary with the Secretary as to whether a project should be undertaken or not, on the basis of whether it was practicable and advisable, the first proviso of this section reading:

SEC. 3. * * * Provided, That all lands entered and entries made under the homestead laws within areas so withdrawn during such withdrawal shall be subject to all the provisions, limitations, charges, terms and conditions of this act; that said surveys shall be prosecuted diligently to completion, and upon the completion thereof, and of the necessary maps, plans, and estimates of cost, the Secretary of the Interior shall determine whether or not said project is practicable and advisable, and if determined to be impracticable or unadvisable he shall thereupon restore said lands to entry;

Section 4 of the act established the basic rule for feasibility of providing that the Secretary must fix the size of farm to support

a family and secure the return of the cost of the construction of the project within ten years, section 4 reading in part, as follows:

SEC. 4. That upon the determination by the Secretary of the Interior that any irrigation project is practicable, he may cause to be let contracts for the construction of the same, in such portions or sections as it may be practicable to construct and complete as parts of the whole project, providing the necessary funds for such portions or sections are available in the reclamation fund, and thereupon he shall give public notice of the lands irrigable under such project, and limit of area per entry, which limit shall represent the acreage which, in the opinion of the Secretary, may be reasonably required for the support of a family upon the lands in question; also of the charges which shall be made per acre upon the said entries, and upon lands in private ownership which may be irrigated by the waters of the said irrigation project, and the number of annual installments, not exceeding ten, in which such charges shall be paid and the time when such payments shall commence. The said charges shall be determined with a view of returning to the reclamation fund the estimated cost of construction of the project, and shall be apportioned equitably; * * *

Thus, we find that under the original act the Secretary had authority to construct those projects which he considered practicable and advisable, the test of financial practicability being limited to whether, in his opinion, the cost of the project could be returned within a ten-year period.

In 1910, by the act of June 25 (36 Stat. 835) Congress modified the finding of feasibility procedure to require the President to approve the authorization for a project on the recommendation of the Secretary of the Interior, section 4 of the act reading:

SEC. 4. That all money placed to the credit of the reclamation fund in pursuance of this act shall be devoted exclusively to the completion of work on reclamation projects heretofore begun as hereinbefore provided, and the same shall be included with all other expenses in future estimates of construction, operation, or maintenance, and hereafter no irrigation project contemplated by said act of June seventeenth, nineteen hundred and two, shall be begun unless and until the same shall have been recommended by the Secretary of the Interior and approved by the direct order of the President of the United States.

This act also contained a special provision requiring all projects then under construction to be examined and reported upon by the Corps of Engineers of the United States Army and the President to reapprove each project as feasible and practicable. Actually, the original authority of the Secretary to find a project feasible was rescinded by the act of 1910 and the President was required to approve all undertakings.

The act of February 21, 1911 (36 Stat. 925), commonly known as the Warren Act, authorized the Secretary to dispose of water in excess of requirements of lands to be irrigated under any project to existing irrigation enterprises. In contracting for the disposition of such excess waters the Secretary is required to fix the charges, taking into consideration the cost of construction and maintenance of the Government system, and to make the charges just and equitable as to the water users within the Government project. In other words, the Secretary must not discriminate in favor of private lands receiving a supplemental supply under the Warren Act as against the lands receiving a full supply under the government project.

In 1914 the procedure for finding a project feasible was further modified by providing for return of the cost of construction of projects by irrigation water users in 16 installments paid over 20 years. The act of August 13, 1914 (38 Stat. 686), states:

SEC. 1. * * *, any person who hereafter makes entry thereunder shall at the time of making water-right application or entry, as the case may be, pay into the reclamation fund five per centum of the construction charge fixed for his land as an initial installment, and shall pay the balance of said charge in fifteen annual installments, the first five of which shall each be five per centum of the construction charge and the remainder shall each be seven per centum until the whole amount shall have been paid. The first of the annual installments shall become due and payable on December first of the fifth calendar year after the initial installment;

Until 1922 the Government looked to the individual water user on reclamation projects to return the cost thereof. By the act of May 15, 1922 (42 Stat. 541), the Congress authorized the Secretary of the Interior to contract with irrigation districts in place of the individual water user and to recover the annual charges from the district under a joint liability contract. This act, however, did not modify the rules of feasibility, including the repayment limit which remained at 20 years.

It was becoming increasingly evident, however, that the relatively short period of years for return of the investment was limiting the class of projects that could be undertaken. Many worthwhile projects could be constructed if a longer repayment period were authorized. A committee of special advisers appointed by the Secretary of the Interior, known as the Fact Finders, submitted a report in 1924 (Senate Document 92, 68th Congress, 1st Session) which became the basis for an act of Congress modifying the feasibility requirements. The Fact Finders Act was attached to and became a part of the Second Deficiency Act of 1924 (act of December 5, 1924, 43 Stat. 672).

The Fact Finders Act required that the Commissioner of Reclamation join with the Secretary of the Interior in recommending projects to the President for approval. In submitting his recommendations to the President the Secretary was required to include in his report information on water supply, engineering features, cost of construction, land prices, probable cost of development, and find that the cost could be returned to the United States. Instead of the 20-year period for repayment as provided by the Extension Act of 1914, the 1924 Act contained the entirely new idea that construction charges should be paid in annual installments based on the productive power of the land. The formula included in the statute computed the annual construction charge at five percent of the average gross annual acre income for the ten calendar years preceding the year of payment, or for all years of record if less than ten years' records were available. There was no limit to the number of years that the formula could operate to return the project cost and some projects found feasible under this act had a construction repayment period estimated as exceeding 100 years.

The applicable provisions of this act are:

Provided, That no part of the sums herein appropriated shall be used for the commencement of construction work on any reclamation project which

has not been recommended by the Commissioner of Reclamation and the Secretary of the Interior and approved by the President as to its agricultural and engineering feasibility and the reasonableness of its estimated construction cost.

SUBSEC. B. That no new project or new division of a project shall be approved for construction or estimates submitted therefor by the Secretary until information in detail shall be secured by him concerning the water supply, the engineering features, the cost of construction, land prices, and the probable cost of development, and he shall have made a finding in writing that it is feasible, that it is adaptable for actual settlement and farm homes, and that it will probably return the cost thereof to the United States.

SUBSEC. F. That hereafter all project construction charges shall be made payable in annual installments based on the productive power of the land as provided in this subsection. The installment of the construction charge per irrigable acre payable each year shall be 5 per centum of the average gross annual acre income for the ten calendar years first preceding, or for all years of record if fewer than ten years are available, of the area in cultivation in the division or subdivision thereof of the project in which the land is located, as found by the Secretary annually. The decision of the Secretary as to the amount of any such installment shall be conclusive. These annual payments shall continue until the total construction charge against each unit is paid. The Secretary is authorized upon request to amend any existing contract for a project water right so that it will provide for payment of the construction charge thereunder in accordance with the provisions of this subsection or for the deferment of such construction charges for a period of three years from the approval of this section, or both.

In the act of December 5, 1924, Congress authorized adjustments to be made in the construction charges of various authorized reclamation projects. In the Omnibus Adjustment Act of May 25, 1926 (44 Stat. 636), the Congress approved the recommendation of the Department of the Interior for various adjustments in project costs. The Adjustment Act contained other provisions affecting feasibility of future projects. It repealed the crop repayment formula authorized by the Fact Finders Act and substituted instead a proviso that all future contracts must provide for repayment of the cost of construction within such term of years as the Secretary of the Interior might find necessary, but in no event more than forty years. The 1926 Act did not annul or cancel the contracts executed under the 1924 Act but prohibited the execution of any further contracts of this type.

The applicable feasibility provisions of the 1926 Act are:

SEC. 46. * * *. No water shall be delivered upon the completion of any new project or new division of a project until a contract or contracts in form approved by the Secretary of the Interior shall have been made with an irrigation district or irrigation districts organized under State law providing for payment by the district or districts of the cost of constructing, operating, and maintaining the works during the time they are in control of the United States, such cost of constructing to be repaid within such terms of years as the Secretary may find to be necessary, in any event not more than forty years from the date of public notice hereinafter referred to, and the execution of said contract or contracts shall have been confirmed by a decree of a court of competent jurisdiction. * * *

A number of repayment contracts were executed under the provisions of the 1926 Act, most of them, however, being on projects authorized or found feasible under earlier acts.

No further action was taken by Congress to modify the feasibility requirements of reclamation law until late in the 1930 dec-

ade when it again became evident that the rigid forty-year limitation in the 1926 Act was limiting the initiation of construction of new projects and also did not meet the repayment requirements of projects undertaken under authority of "relief" or PWA projects.

The act of August 4, 1939 (53 Stat. 1187), is the next milestone on the reclamation road of feasibility. An attempt is made in this act to meet the difficulties encountered by farmers in paying their construction charges during a depression period under the fixed schedules established by the 1926 act. The 1939 Act in section 4 provides for a variation in construction charges again in accordance with crop values, under a formula similar to that of the 1924 Act, but limiting the period of repayment to forty years. Section 7 of the act further authorizes the Secretary to negotiate for repayment contracts in excess of forty years but such repayment contracts are limited to existing projects or projects under construction, and in addition must be ratified by Congress.

Passage of the initial Reclamation Act of June 17, 1902 (32 Stat. 388, Public Law 161, 57th Congress), was directly related to the vast amount of federally owned land in the western United States. While much of this land was arid in nature, it was, nevertheless, capable of sustaining irrigated agriculture when an adequate water supply was made available. As these public lands were opened for homestead entry on newly created Reclamation projects, provision was made to reserve land from the public domain needed to establish townsites in connection with the projects. Accordingly, the Act of April 16, 1906 (34 Stat. 116, Public Law 103, 59th Congress), authorized the Secretary of the Interior to contract with such towns and furnish them a water right from the project on terms comparable to the water rights for irrigation. Pursuant to this Act of Congress, many towns and cities have since been receiving from Reclamation facilities a dependable municipal water supply which has been basic to their economic growth and development.

Seeing an ever-increasing need to furnish water for purposes other than irrigation on Reclamation projects, Congress passed the Act of February 25, 1920 (41 Stat. 451, Public Law 147, 66th Congress). This Act authorized the Secretary to enter into contracts for such other service under terms of delivery and payment which he deemed proper. The sale of water contained three limitations: first, the water users' association had to approve the contract; second, there could be no other practicable source of water supply; and third, delivery of water for other purposes could not be detrimental to the water service for the irrigation projects. Many sales of water to municipalities in or near Reclamation projects were consummated pursuant to this 1920 Act.

The next action taken by Congress with regard to providing water service, other than for irrigation, was passage of the Reclamation Project Act of August 4, 1939 (53 Stat. 1187, Public Law 260, 76th Congress). This Act recognized municipal water as a major benefit in considering authorization and construction of multiple-purpose projects. Under authority provided by the Act, the Secretary would, in estimating the cost and returns of such a

project, take into account a part of the estimated cost which could be properly allocated to municipal and industrial water supply, or other miscellaneous use. In a similar fashion, that part of the total available water supply to be made available for municipalities and for industrial purposes was to be reserved on an equal basis with other authorized uses. The Act granted further authority to the Secretary of the Interior for contracting with municipal and industrial water users to repay with interest their portion of the allocated cost, including a share of annual operation and maintenance costs.

The 1939 Act modified the rules of feasibility. For the first time it brought into reclamation law the concept that benefits from reclamation projects were more than local in scope, and benefits that were national in character should not be a burden on the beneficiaries of reclamation projects. In other words, certain values assigned to national benefits could be deducted from the cost of a project and only the balance need be recovered through payments from water users and from power revenues. Section 9(b) of the 1939 Act provides that allocations of cost to flood control and navigation would be nonreimbursable.

An innovation of the 1939 Act for repayment of the cost of irrigation works is found in Section 9(e) which permits of an indefinite period for return of irrigation costs by water users although contracts may not be executed for more than forty years at any one time. Section 9(e) contracts are applicable only to works connected with water supply and do not apply to distribution systems. The Secretary can re-execute such contracts at the end of a forty-year period as often as he may wish. All contracts for irrigation distribution systems executed in accordance with the 1939 act are, however, limited to forty years under provisions of Section 9(d) of the act. In like manner, contracts for the sale of power and municipal water are limited to forty years with the privilege of the Secretary to renew these contracts from time to time.

An important modification of the 1939 Act was the return to the Secretary from the President of the power to approve a finding of feasibility and thereby authorize construction of a project. The finding of feasibility is required, however, to be submitted by the Secretary to the President and the Congress and it does not become fully effective until such transmittal has been accomplished. As a matter of custom, the finding of feasibility was first submitted to the President and a copy of his acknowledgment which contained an expression of his views, or of the review by the Bureau of the Budget, was attached to the transmittal of the finding to the Congress.

The portions of the act of August 4, 1939, relating to project feasibility are quoted below:

SEC. 7(a). The Secretary is hereby authorized and directed to investigate the repayment problems of any existing project contract unit in connection with which, in his judgment, a contract under section 3 or 4 of this Act would not be practicable nor provide an economically sound adjustment, and to negotiate a contract which, in his judgment, both would provide fair and

equitable treatment of the repayment problems involved and would be in keeping with the general purpose of this Act.

SEC. 7(b). For any project, division of a project, development unit of a project, or supplemental works on a project, now under construction or for which appropriations have been made, and in connection with which a repayment contract has not been executed, allocations of costs may be made in accordance with the provisions of section 9 of this Act and a repayment contract may be negotiated, in the discretion of the Secretary, (1) pursuant to the authority of subsection (a) of this section or (2) in accordance, as near as may be, with the provisions in subsection 9(d) or 9(e) of this Act. * * *

SEC. 7(c). The Secretary from time to time shall report to the Congress on any proposed contracts negotiated pursuant to the authority of subsection (a) or (b) (1) of this section, and he may execute any such contract on behalf of the United States only after approval thereof has been given by Act of Congress.

SEC. 9(a). No expenditures for the construction of any new project, new division of a project, or new supplemental works on a project shall be made, nor shall estimates be submitted therefor, by the Secretary until after he has made an investigation thereof and has submitted to the President and to the Congress his report and findings on—

- (1) The engineering feasibility of the proposed construction;
- (2) The estimated cost of the proposed construction;
- (3) The part of the estimated cost which can properly be allocated to irrigation and probably be repaid by the water users;
- (4) The part of the estimated cost which can properly be allocated to power and probably be returned to the United States in net power revenues;
- (5) The part of the estimated cost which can properly be allocated to municipal water supply or other miscellaneous purposes and probably be returned to the United States.

If the proposed construction is found by the Secretary to have engineering feasibility and if the repayable and returnable allocations to irrigation, power, and municipal water supply or other miscellaneous purposes found by the Secretary to be proper, together with any allocation to flood control or navigation made under subsection (b) of this section, equal the total estimated cost of construction as determined by the Secretary, then the new project, new division of a project, or supplemental works on a project, covered by his findings, shall be deemed authorized and may be undertaken by the Secretary. If all such allocations do not equal said total estimated cost, then said new project, new division, or new supplemental works may be undertaken by the Secretary only after provision therefor has been made by Act of Congress enacted after the Secretary has submitted to the President and the Congress the report and findings involved.

SEC. 9(b). In connection with any new project, new division of a project, or supplemental works on a project there may be allocated to flood control or navigation the part of said total estimated cost which the Secretary may find to be proper. Items for any such allocations made in connection with projects which may be undertaken pursuant to subsection (a) of this section shall be included in the estimates of appropriations submitted by the Secretary for said projects, and funds for such portions of the projects shall not become available except as directly appropriated or allotted to the Department of the Interior. In connection with the making of such an allocation, the Secretary shall consult with the Chief of Engineers and the Secretary of War, and may perform any of the necessary investigations or studies under a cooperative agreement with the Secretary of War. In the event of such an allocation the Secretary of the Interior shall operate the project for purposes of flood control or navigation, to the extent justified by said allocation therefor.

SEC. 9(c). The Secretary is authorized to enter into contracts to furnish water for municipal water supply or miscellaneous purposes: Provided, That any such contract either (1) shall require repayment to the United States, over a period of not to exceed forty years from the year in which water is first delivered for the use of the contracting party, with interest not exceed-

ing the rate of 3½ per centum per annum if the Secretary determines an interest charge to be proper, of an appropriate share as determined by the Secretary of that part of the construction costs allocated by him to municipal water supply or other miscellaneous purposes; or (2) shall be for such periods, not to exceed forty years, and at such rates as in the Secretary's judgment will produce revenues at least sufficient to cover an appropriate share of the annual operation and maintenance cost and an appropriate share of such fixed charges as the Secretary deems proper, and shall require the payment of said rates each year in advance of delivery of water for said year. Any sale of electric power or lease of power privileges, made by the Secretary in connection with the operation of any project or division of a project, shall be for such periods, not to exceed forty years, and at such rates as in his judgment will produce power revenues at least sufficient to cover an appropriate share of the annual operation and maintenance cost, interest on an appropriate share of the construction investment at not less than 3 per centum per annum, and such other fixed charges as the Secretary deems proper: * * *

SEC. 9(d)(2). That the part of the construction costs allocated by the Secretary to irrigation shall be included in a general repayment obligation of the organization; and that the organization may vary its distribution of construction charges in a manner that takes into account the productivity of the various classes of lands and the benefits accruing to the lands by reason of the construction: Provided, that no distribution of construction charges over the lands included in the organization shall in any manner be deemed to relieve the organization or any party or any land therein of the organization's general obligation to the United States.

SEC. 9(d)(3). That the general repayment obligation of the organization shall be spread in annual installments, of the number and amounts fixed by the Secretary, over a period not exceeding forty years, exclusive of any development period fixed under subsection (d)(1) of this section, for any project contract unit, or for any irrigation block, if the project contract unit be divided into two or more irrigation blocks.

SEC. 9(e). In lieu of entering into a repayment contract pursuant to the provisions of subsection (d) of this section to cover that part of the cost of the construction of works connected with water supply and allocated to irrigation, the Secretary, in his discretion, may enter into either short-or-long-term contracts to furnish water for irrigation purposes. Each such contract shall be for such period, not to exceed forty years, and at such rates as in the Secretary's judgment will produce revenues at least sufficient to cover an appropriate share of the annual operation and maintenance cost and an appropriate share of such fixed charges as the Secretary deems proper, due consideration being given to that part of the cost of construction of works connected with water supply and allocated to irrigation; and shall require payment of said rates each year in advance of delivery of water for said year. In the event such contracts are made for furnishing water for irrigation purposes, the costs of any irrigation water distribution works constructed by the United States in connection with the new project, new division of a project, or supplemental works on a project, shall be covered by a repayment contract entered into pursuant to said subsection (d).

Reclamation law was further modified in 1946 by passage of the act of August 14, wherein provision was made by Congress that costs properly allocable to fish and wildlife benefits need not be repaid by the project beneficiaries. The applicable part of this act reads as follows:

SEC. 1. That the Act of March 10, 1934 (48 Stat. 401), is hereby amended to read as follows:

In order to promote effectual planning, development, maintenance, and coordination of wildlife conservation and rehabilitation in the United States, its Territories and possessions, the Secretary of the Interior, through the Fish and Wildlife Service, is authorized (a) to provide assistance to, and cooperate with, Federal, State, and public or private agencies and organiza-

tions in the development, protection, rearing, and stocking of all species of wildlife, resources thereof, and their habitat, in controlling losses of the same from disease or other causes; in minimizing damages from overabundant species, in providing public shooting areas, and in carrying out other measures necessary to effectuate the purposes of this Act; and (b) to make surveys and investigations of the wildlife of the public domain, including lands and waters or interests therein acquired or controlled by any agency of the United States.

SEC. 2. Whenever the waters of any stream or other body of water are authorized to be impounded, diverted, or otherwise controlled for any purpose whatever by any department or agency of the United States, or by any public or private agency under Federal permit, such department or agency of the United States first shall consult with the Fish and Wildlife Service and the head of the agency exercising administration over the wildlife resources of the State wherein the impoundment, diversion, or other control facility is to be constructed with a view to preventing loss of and damage to wildlife resources, and the reports and recommendations of the Secretary of the Interior and of the head of the agency exercising administration over the wildlife resources of the State, based on surveys and investigations conducted by the Fish and Wildlife Service and by the said head of the agency exercising administration over the wildlife resources of the State, for the purpose of determining the possible damage to wildlife resources and of the means and measures that should be adopted to prevent loss of and damage to wildlife resources, shall be made an integral part of any report submitted by any agency of the Federal Government responsible for engineering surveys and construction of such project.

The cost of planning for and the construction or installation and maintenance of any such means and measures shall be included in and shall constitute an integral part of the costs of such projects: Provided, That, in the case of projects hereafter authorized to be constructed, operated, and maintained in accordance with the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto), the Secretary of the Interior, shall, in addition to allocation to be made under section 9 of the Reclamation Project Act of 1939 (53 Stat. 1187), make findings on the part of the estimated cost of the project which can properly be allocated to the preservation and propagation of fish and wildlife, and costs allocated pursuant to such findings shall not be reimbursable. In the case of construction by a Federal agency, that agency is authorized to transfer, out of appropriations or other funds made available for surveying, engineering, or construction to the Fish and Wildlife Service, such funds as may be necessary to conduct the investigations required by this section to be made by it.

SEC. 3. Whenever the waters of any stream or other body of water are impounded, diverted, or otherwise controlled for any purpose whatever by any department or agency of the United States, adequate provision consistent with the primary purposes of such impoundment, diversion, or other control shall be made for the use thereof, together with any areas of land, or interest therein, acquired or administered in connection therewith, for the conservation, maintenance, and management of wildlife resources thereof, and its habitat thereon. In accordance with general plans, covering the use of such waters and other interests for these purposes, approved jointly by the head of the department or agency exercising primary administration thereof, the Secretary of the Interior, and the head of the agency exercising administration over the wildlife resources of the State wherein the waters and areas lie, such waters and other interests shall be made available without cost for administration (a) by such State agency, if the management thereof for the conservation of wildlife relates to other than migratory birds; (b) by the Secretary of the Interior, if the waters and other interests have particular value in carrying out the national migratory bird management program.

During the period 1933 to 1940 Congress appropriated large sums undertaking public works throughout the United States. These sums were appropriated to the Federal Emergency Relief

Administration, Public Works Administration and the Works Progress Administration. The acts of Congress appropriating these funds in general provided that the works were to be constructed in accordance with existing law controlling their authorization, and under the direction of the agency responsible for the administration of the existing laws. Reclamation projects were among the public works initiated under the authority vested in the President for the expenditure of relief funds. Such initial authorizations were later ratified by findings of feasibility issued under Reclamation law, or by a specific authorization by Congress. In general, these relief acts in no way modified the feasibility requirements of reclamation law. If anything, they established a further criterion that the particular project should, besides satisfying reclamation law, provide a basis for work relief. In return the project would be entitled to financing on the basis of a grant or loan from a relief appropriation. Reclamation projects initiated under the relief acts were later completed by regular reclamation appropriations made on a fully reimbursable basis.

Another outgrowth of the depression years was the effort of Congress to provide through Reclamation for distressed conditions in the Western Plains and Mountain States affected by the extreme droughts of the mid 1930's. Congress's efforts here were directed to providing for small irrigation projects, usually with only a few thousand acres or less, as contrasted with large developments authorized under the Reclamation Act. In the 1940 Appropriation Act passed May 10, 1939, Congress provided \$5,000,000 for Water Conservation and Utility projects in the Great Plains and arid and semi-arid areas. Also in 1939 Congress passed the Water Conservation and Utilization Project Act of August 11, 1939 (53 Stat. 1418). This act authorized the construction of small projects on the basis of joint findings of feasibility by the Secretary of Agriculture and the Secretary of the Interior and approved by the President. The act provided originally for reimbursable appropriations combined with nonreimbursable participation by the Works Progress Administration and the Civilian Conservation Corps, thereby making projects with a high total cost per acre feasible, provided sufficient relief labor could be made available to hold the reimbursable portion to a reasonable amount. This act ordinarily would have expired with termination of the WPA and CCC at the beginning of World War II. Congress by the act of July 16, 1943, modified the original law to permit the completion of Water Conservation and Utility projects which could show a benefit to the war.

The Flood Control Act of 1944 stated the policy of Congress "to recognize the interests and rights of the States in determining the development of watersheds within their borders and likewise their interest and rights in water conservation and control". In conformity with this policy it provided a procedure whereby both the Chief of Engineers and the Secretary of the Interior are required to give to the affected State or States, and to each other, information developed by the investigations and opportunity for

consultation regarding plans and proposals. In the event that the affected States or Secretary of the Army make objections to a proposal, the project shall not be deemed authorized in accordance with the Reclamation Project Act of 1939, as described above, but shall require an Act of Congress. The Flood Control Act of 1944 also provided for construction by the Secretary of the Interior of additional irrigation works in connection with dams and reservoirs operated by Secretary of the Army.

Following the depression years prior to World War II and the restrictions on manpower, equipment, and materials during the war, deferment in maintenance of the physical plant of many of the older irrigation projects approached a critical stage. A survey of conditions revealed that many wood structures constructed from 20 to 30 years before were in need of replacement; many concrete and steel structures were badly in need of repair or replacement; and many other items were mandatory to restore the projects to their original operating condition. It was intended from the inception of the program that the costs would be repaid by the water users in installments over a number of years. Public Law No. 81-335, 63 Stat. 724, and an amendment thereto, Public Law No. 81-451, 64 Stat. 11, prescribe procedures for negotiation and approval of repayment contracts in connection with expenditures of rehabilitation and betterment funds.

On August 6, 1956, the "Small Projects Act" (70 Stat. 1044) was signed authorizing the Secretary to make loans of up to \$5,000,000 to State or local agencies to build or assist in building small reclamation projects under reclamation law. This was amended to \$10,000,000 by Act of September 2, 1966 (80 Stat. 376), Public Law 89-553.

In addition to the aforementioned authority, the Water Supply Act of July 3, 1958 (72 Stat. 297, Public Law 85-500, as amended), supplements the general provisions of Reclamation law regarding municipal and industrial water development. Provisions of this Act are alternative to corresponding provisions of the Reclamation Project Act of 1939. The main objective of the Water Supply Act is to encourage maximum use of limited development sites to provide for future water needs. Provisions of the Water Supply Act which accommodate this objective allow interest-free deferral of the cost of unused storage capacity for a maximum of ten years, and a fifty-year period for repayment following the first use of deferred storage capacity. This compares to the forty-year repayment period provided in the 1939 Act. Since 1958, several Reclamation projects in which deferred storage capacity has been found economically justified and financially feasible have been planned and authorized under the supplemental provisions of this 1958 Act.

The Federal Water Project Recreation Act of July 9, 1965, (79 Stat. 213, Public Law 89-72) establishes uniform policies for the inclusion of recreation and fish and wildlife enhancement developments at planned and existing Federal water resources develop-

ment projects and encourages non-Federal participation in those project purposes.

In planning Reclamation projects, the act requires that a non-Federal public body agree to administer the land and water areas and bear not less than one-half of the separable costs and all costs of operation, maintenance, and replacement. Execution of such an agreement is a prerequisite to the construction of the facilities.

Costs allocated to recreation and fish and wildlife enhancement cannot exceed one-half of the total project cost. The non-Federal share of separable costs may be provided in cash, by the provision of land, interests therein, or facilities. The non-Federal share also may be repaid, with interest, within 50 years from the first use of project facilities for recreation or fish and wildlife. In the latter case, repayment may be financed entirely from entrance and user fees collected at the project by non-Federal interests.

At existing Reclamation projects, the act authorizes the Secretary to provide public outdoor recreation or fish and wildlife developments, but precludes reallocation of project costs. Execution of an agreement with a non-Federal public body also is required. The Federal expenditure on any one existing reservoir is limited to \$100,000.

Federal legislation enacted over the years by the Congress established the role and responsibility of the Federal Government to plan and develop the Nation's water and related land resources in cooperation with the States and other interests. As a means of strengthening coordination among all affected water and related land resource interests, the Congress enacted the Water Resources Planning Act of July 22, 1965 (79 Stat. 244, Public Law 89-80). This Act established the Water Resources Council, authorized establishment of river basin commissions, and provided for financial assistance to the States to increase State participation in coordinated planning of the Nation's water and related land resources.

The Water Resources Planning Act declares that in order to meet the rapidly expanding demands for water throughout the Nation, it is the policy of the Congress to encourage the conservation, development, and utilization of water and related land resources of the United States on a comprehensive and coordinated basis by the Federal government, States, localities, and private enterprise, with the cooperation of all affected Federal agencies, States, local governments, individuals, corporations, business enterprises, and others concerned.

The Act further provides that the Water Resources Council shall maintain a continuing study of the relation of regional or river basin plans and programs to the requirements of larger regions of the Nation and of the adequacy of administrative and statutory means for the coordination of the water and related land resources policies and programs of the several Federal agencies; that the Council shall appraise the adequacy of existing and proposed policies and programs to meet such requirements; and that the Council shall make recommendations to the President with respect to Federal policies and programs.

In addition, under Title II the Act provides for the establishment of river basin commissions. To the extent consistent with section 3 of the Act, each such commission (1) serves as the principal agency for the coordination of Federal, State, interstate, local and non-governmental plans for the development of water and related land resources in its area; (2) prepares and keeps up to date a comprehensive, coordinated, joint plan for development of water and related land resources; (3) recommends long-range schedules of priorities for the collection and analysis of basic data and for investigation, planning, and construction of projects; and (4) fosters and undertakes such studies of water and related land resources problems in its area as are necessary in the preparation of its comprehensive plan.

TABLE OF CONTENTS

FOREWORD	Page iii
SUMMARY TABULATIONS:	
Projects authorized for construction	3
Annual authorizations for Reclamation project construction	9
GENERAL RECLAMATION AUTHORIZATIONS:	
Emergency Fund	23
Federal Water Project Recreation Act	24
Loan Programs—Small Reclamation projects	31
Utilization of public roads	34
Delivery of water to Mexico, Arizona	36
PROJECT FEASIBILITIES AND AUTHORIZATIONS:	
Amistad Project	41
Arbuckle Project	42
Arnold Project	51
Avondale Project	52
Baker Project, Upper Division	53
Boise Project	61
Boulder Canyon Project	62
Boulder Canyon Project Adjustment Act	62
Boulder City Act of 1958	66
Canadian River Project	70
Carlsbad Project	74
Central Arizona Project	75
Central Valley Project	102
Trinity River Division	102
Judge Francis Carr Powerhouse	103
Clair Engle Lake	103
San Luis Unit	104
Auburn-Folsom South Unit	115
Sacramento River Division	136
Tehama-Colusa Canal capacity increase	136
San Felipe Division	137
Corps of Engineers Reservoirs	148
New Melones Project	148
Hidden Reservoir	149
Buchanan Reservoir	150
Marysville Dam and Reservoir	150
Chief Joseph Dam Project	154
Greater Wenatchee Division	156
Okanogan-Similkameen Division	161
Oroville-Tonasket Unit	161
Whitestone Coulee Unit	166
Chelan Division, Manson Unit	174
Colorado-Big Thompson Project	182
Colorado River Front Work and Levee System	186

	Page
Colorado River Storage Project and Participating Projects	187
Curecanti Unit	191
Crystal Dam	196
Glen Canyon Unit	202
Basalt Project	204
San Juan-Chama and Navajo Indian Irrigation Projects	205
Fish and Wildlife and Recreation	220
Bostwick Park Participating Project	221
Fruitland Mesa Participating Project	228
Savery-Pot Hook Participating Project	233
Authorization of Savery-Pot Hook, Bostwick Park, and Fruitland Mesa Participating Projects	241
Animas-La Plata Participating Project	243
Dallas Creek Participating Project	254
Dolores Participating Project	262
San Miguel Participating Project	271
West Divide Participating Project	279
Authorization of Animas-La Plata, Dolores, Dallas Creek, West Divide and San Miguel Participating Projects	287
Columbia Basin Project	291
Coulee Dam Community Act of 1957	291
Third Powerplant	293
Crescent Lake Dam Project	301
Crooked River Project	302
Project Extension	305
Dalton Gardens Project	312
Dixie Project	313
Fort Peck Project	323
Fryingpan-Arkansas Project	325
Ruedi Dam and Reservoir	332
Gila Project	342
Grand Valley Project, Orchard Mesa Division	343
Grants Pass Project, Savage Rapids Dam	347
Hungry Horse Project	348
Huntley Project	349
Lower Rio Grande Project	351
La Feria Division	351
Mercedes Division	357
Mann Creek Project	363
McMillan Delta Project	370
Milk River Project	379
Malta Street Improvements	379
Paradise Valley Diversion Dam	379
Minidoka Project, Snake River Basin Power Pool	380
Missouri River Basin Project	381
Increases in Appropriation Authorizations	388
Ainsworth Unit	391
Angostura Unit	393

	Page
Dickinson Unit	394
Frenchman-Cambridge Division	394
Glendo Unit	397
Heart Butte Unit	401
Jamestown Unit	401
Rapid Valley Unit	402
Yellowtail Unit	402
Garrison Diversion Unit	403
Nebraska Mid-State Division	421
Oahe Unit, James Division	430
Mountain Park Project	441
Norman Project	452
Pacific Northwest-Southwest Intertie	460
Palisades Project	472
Palmetto Bend Project	474
Palo Verde Diversion Project	485
Parker-Davis Project	486
Davis Dam Division	486
Lake Mohave	487
Pecos River Basin Water Salvage Project	488
Rathdrum Prairie Project	491
Avondale, Dalton Gardens, and Hayden Lake Pipe Rehabilitation	491
Hayden Lake Unit	492
Rio Grande Project, Recreational Facilities	493
Riverton Project	494
Third Division	495
Rogue River Basin Project	498
Talent Division, Agate Dam and Reservoir	498
Salt River Project, Theodore Roosevelt Dam	503
San Angelo Project	504
San Diego Project, Second Barrel	513
Snettisham Project	514
Solano Project	516
Southern Nevada Water Project	517
Spokane Valley Project	528
Teton Basin Project, Lower Teton Division	540
The Dalles Project, Western Division	549
Truckee Storage Project	555
Tualatin Project	556
Vale Project, Bully Creek Extension	565
W. C. Austin Project	573
Washita Basin Project	577
Washoe Project, Prosser Creek Dam and Reservoir	574
Weber Basin Project, Access Roads	588
Wichita Project, Cheney Division	575
Yakima Project	589
Yuma Project	578
Yuma Auxiliary Project, Mesa Division	586
INDEX	591



SUMMARY TABULATIONS

Projects authorized for construction through December 31, 1968

SUMMARY TABULATIONS

Number	Project	State	First authorization		Status in fiscal year 1969
			Date	Authority	
1	(All-American Canal System)	Arizona-California	Dec. 21, 1928	Congress	Part of Boulder Canyon Project.
*2	Amistad	Texas	Dec. 28, 1963	do	Operated by IBWC, USBR, and U.S. Reclamation Service.
3	Angostura	South Dakota	Mar. 6, 1941	President	Constructed under Missouri River Basin.
4	Arbuckle	Oklahoma	Aug. 24, 1962	Congress	Drainage and Minor Construction.
5	Arnold	Oregon	July 35, 1947	do	Operated by Water Users.
6	Avondale	Idaho	July 35, 1953	do	Do.
7	Baker	Oregon	Mar. 18, 1931	President	Do.
8	Upper Division	Texas	Sept. 17, 1962	Congress	Drainage and Minor Construction.
9	Balmorhea	do	Apr. 16, 1944	Congress	Operated by Water Users.
10	Belle Fourche	South Dakota	May 10, 1904	Secretary	Do.
*11	Bismarck (original)	North Dakota	Nov. 18, 1904	do	Secondary, November 16, 1906.
12	Bitterroot Valley, Woodside	Montana	July 23, 1934	Congress	Operated by Water Users.
13	Boise (Fayette-Boise Project)	Idaho-Oregon	Mar. 27, 1905	President	Water Conservation and Utility—not constructed.
14	Bostwick Park, CRS Participating	Colorado	Sept. 2, 1964	Secretary	Operated by United States and Water Users.
15	Boulder Canyon: All-American Canal System	Arizona-California	Dec. 21, 1928	do	Operated by United States and Water Users, D&MC, R&B.
16	Hoover Dam and Powerplant	Arizona-Nevada	Dec. 21, 1928	do	Operated by United States and Agents, D&MC.
17	Boulder City	Nevada	Sept. 2, 1958	do	Municipality established.
18	Buffalo Rapids:	Montana	Sept. 27, 1937	President	Operated by Water Users, D&MC.
19	Second Division	do	Oct. 11, 1939	do	Do.
20	Buford-Trenton (old)	North Dakota	Nov. 18, 1904	Secretary	Abandoned May 26, 1926.
21	Buford-Trenton (new)	do	Sept. 28, 1939	President	Operated by Water Users.
22	Burnt River	Oregon	Sept. 26, 1935	Secretary	Do.
23	Cachuma (Santa Barbara)	California	Mar. 4, 1948	do	Operated by United States and Water Users.
24	Canadian River	Texas	Dec. 28, 1905	Congress	Drainage and Minor Construction.
25	Carlsbad	New Mexico	Nov. 28, 1905	Secretary	Operated by United States and Water Users, R&B.
26	Central Utah, CRS Part, Initial phase	Utah	Apr. 11, 1956	Congress	Advance planning and construction, Vernal Unit—operated by Water Users, D&MC.
27	Central Valley	California	Dec. 2, 1935	President	Construction. Operated by United States and Water Users.
28	Folsom and Sly Park Units	do	Oct. 14, 1949	Congress	Operated by United States and Water Users.
29	Sacramento Canals Unit	do	Sept. 26, 1950	do	Construction. Operated by United States.
30	Trinity River Division	do	Aug. 12, 1955	do	Do.
31	San Luis Unit	do	June 8, 1960	do	Do.
32	(New Melones Project)	do	Oct. 28, 1962	do	Authorized USCE and USBR.
33	Thurman-Polsom South Unit	do	Sept. 7, 1965	do	Construction.
34	Marysville Dam and Reservoir	do	Nov. 7, 1965	do	Authorized USCE and USBR.
35	San Felipe	do	Aug. 27, 1967	do	Authorized.
36	Chief Joseph Dam	Washington	July 27, 1954	do	Operated by Water Users.
37	Foster Creek Division	do	do	do	do

See footnotes at end of table.

PROJECT FEASIBILITIES AND AUTHORIZATIONS

Number	Project	State	First authorization		Status in fiscal year 1969
			Date	Authority	
24	Greater Wenatchee Division	do	May 5, 1958	do	Operated by United States.
25	Okanogan-Similkameen Division:	do			
26	Oroville-Tonasket Unit	do	Oct. 9, 1962	do	Operated by Water Users, D&MC.
27	Whitestone Coulee Unit	do	Sept. 18, 1964	do	Construction.
28	Chelan Division, Manson Unit	do	Sept. 7, 1966	do	Advance planning.
29	Collbran	Colorado	July 3, 1952	do	Operated by United States and Water Users.
30	Colorado-Big Thompson	do	Dec. 21, 1937	President	Do.
31	Colorado River	Texas	Aug. 26, 1937	Congress	Operated by Water Users.
32	Colorado River Front Work and Levee System.	Arizona-California-Nevada.	July 1, 1940	do	Construction. Operated by United States.
33	Colorado River Storage	5 States	Apr. 11, 1956	do	Construction. Operated by United States, D&MC.
34	Columbia Basin	Washington	Aug. 30, 1935	do	Construction. Operated by United States.
35	Coulee Dam Community	do	Aug. 30, 1957	do	Municipality established.
36	Third Powerplant	do	June 14, 1966	do	Construction.
37	Crescent Lake Dam	Oregon	July 1, 1954	do	Operated by Water Users.
38	Crooked River	do	Aug. 6, 1956	do	Do.
39	Crooked River Extension	Idaho	Sept. 18, 1964	do	Drainage and Minor Construction.
40	Dalton Gardens	Arizona	July 31, 1953	do	Operated by Water Users.
41	(Delivery of Water to Mexico)	do	May 17, 1963	Congress	Special activity. Supervision and control by United States, D&MC.
42	Deschutes	Oregon	Nov. 1, 1937	President	Operated by Water Users.
43	Dixie	Utah	Sept. 2, 1964	Congress	Reauthorized September 30, 1968.
44	Eden	Wyoming	Sept. 18, 1940	President	Operated by United States, D&MC.
45	(Eklutna)	Alaska	July 31, 1950	Congress	Transferred to Alaska Power Administration.
46	Emery County, CRS Participating	Utah	Apr. 11, 1956	do	June 16, 1967.
47	Falcon	Texas	June 18, 1954	do	Operated by United States, D&MC.
48	Florida, CRS Participating	Colorado	Apr. 11, 1956	do	Operated by IBWC. USBR—sale of energy only.
49	Fort Peck	Montana-North Dakota.	May 18, 1938	do	Operated by Water Users.
50	Fort Sumner	New Mexico	July 29, 1949	do	Operated by Water Users.
51	Frenchtown	Montana	Sept. 21, 1935	President	Do.
52	Fruitgrowers Dam	Colorado	Jan. 11, 1938	do	Do.
53	Fruitland Mesa, CRS Participating	do	Sept. 2, 1964	Congress	Advance planning.
54	Fryingpan-Arkansas	Colorado	Aug. 16, 1962	Congress	Construction. Operated by United States.
55	Garden City	Kansas	Oct. 5, 1905	Secretary	Abandoned June 5, 1920.
56	Gila	Arizona	June 21, 1937	President	Operated by United States and Water Users, D&MC.
57	Grand Valley	Colorado	Jan. 5, 1911	do	Operated by Water Users.
58	Grants Pass	Oregon	Oct. 12, 1949	Congress	Do.
59	Hammond, CRS Participating	New Mexico	Apr. 11, 1956	do	Operated by United States, D&MC.
60	Hondo	do	Nov. 10, 1903	Secretary	Abandoned Apr. 1, 1917.
61	(Hoover Dam and Powerplant)	Arizona-Nevada	Dec. 21, 1928	Congress	Part of Boulder Canyon Project.
62	Humboldt	Nevada	Nov. 6, 1935	President	Operated by Water Users.
63	Hungry Horse	Montana	June 5, 1944	Congress	Operated by United States.
64	Huntley	do	Apr. 18, 1905	Secretary	Operated by Water Users.

54	Hyrum (Salt Lake Basin)	Utah	Nov. 6, 1935	President	Do.
55	(Imperial Dam and Desilting Works)	Arizona-California	Dec. 21, 1928	Congress	Part of Gila and All-American Canal System.
56	Intake	Montana	Jan. 20, 1944	President	Operated by Water Users.
57	Kennwick Highlands	Wyoming	Aug. 30, 1935	do	Operated by United States and Water Users, D&MC.
58	King Hill	Idaho	Mar. 7, 1931	do	Superseded by Yakima, Kennewick Division.
59	Kings River	California	June 12, 1917	Congress	Abandoned Sept. 28, 1934.
60	Klamath	Oregon-California	Jan. 24, 1940	Secretary	Superseded by USCE authorization.
61	La Barge, CRS Participating	Wyoming	May 15, 1905	do	Operated by United States and Water Users, D&MC, R&B.
62	Lawton	Oklahoma	Apr. 11, 1956	Congress	Authorized.
63	Lewiston Orchards	Idaho	Oct. 8, 1914	President	Suspended June 1, 1917.
64	Little Wood River	Idaho	July 31, 1946	Congress	Operated by Water Users.
65	Lower Rio Grande:	do	Aug. 6, 1956	do	Do.
	Mercedes Division	Texas	Apr. 7, 1958	do	Operated by Water Users, D&MC.
66	La Feria Division	do	Sept. 22, 1959	do	Operated by Water Users.
	Lower Yellowstone (Fort Buford)	Montana-North Dakota.	May 10, 1904	Secretary	Do.
67	Lyman, CRS Participating	Wyoming-Utah	Apr. 11, 1956	Congress	Construction.
68	Malheur	Oregon	May 11, 1904	Secretary	Rescinded Feb. 10, 1906.
69	Mancos	Colorado	Oct. 24, 1940	President	Operated by Water Users.
70	Mann Creek	Idaho	July 7, 1941	do	Discontinued.
71	McMillan Delta	do	Aug. 16, 1962	Congress	Drainage and Minor Construction.
72	Michael Flats	New Mexico	Feb. 20, 1958	do	Salinity alleviation.
73	Middle Rio Grande	New Mexico	Aug. 31, 1954	do	Operated by Water Users, D&MC.
74	Milk River	Montana	May 17, 1950	do	Operated by United States.
75	Minidoka	Idaho-Wyoming	Mar. 14, 1903	Secretary	Operated by United States and Water Users.
76	Mirage Flats	Nebraska	Apr. 23, 1904	do	Do.
77	Missoula Valley	Montana	Apr. 26, 1940	President	Operated by Water Users.
78	Missouri River Basin	10 States	May 10, 1944	do	Do.
	Garrison Diversion Unit	do	Dec. 22, 1944	Congress	Construction. Operated by United States and W.U., D&MC.
	Nebraska Mid-State Division	North Dakota-South Dakota.	Aug. 5, 1965	do	Construction.
79	Moon Lake	Nebraska	Nov. 14, 1967	do	Advance planning.
80	(Navajo Indian Irrigation, CRS Part.)	Utah	Nov. 6, 1935	President	Operated by Water Users.
81	Nesson	New Mexico	June 13, 1962	Congress	Indian Project. Construction by USBR.
82	Newlands	North Dakota	Jan. 23, 1906	Secretary	Secondary, Now in Missouri River Basin.
83	Newton	Nevada-California	Mar. 14, 1903	do	Operated by Water Users, R&B.
84	Norman	Oklahoma	Oct. 17, 1940	President	Operated by Water Users.
	North Platte (Sweetwater)	Wyoming-Nebraska	June 27, 1960	Congress	Operated by Water Users, D&MC.
85	(Ochoco)	Oregon	Mar. 14, 1903	Secretary	Operated by United States and Water Users, R&B.
86	Ogden River	Utah	June 29, 1948	Congress	Combined with Crooked River, Aug. 6, 1956.
87	Okanogan	Washington	Nov. 16, 1935	President	Operated by Water Users.
88	Owyhee	California	Dec. 2, 1905	do	Do.
89	Pacific Northwest-Southwest Intertie	Oregon-Idaho	Oct. 12, 1926	do	Do.
		Arizona-California-Nevada.	Aug. 31, 1964	Secretary	Construction. Operated by United States.
90	Palisades	Idaho-Wyoming	Dec. 9, 1941	Congress	Operated by United States. Reauthorized Sept. 30, 1950.

See footnotes at end of table.

Projects authorized for construction through December 31, 1968—Continued

Number	Project	State	First authorization		Status in fiscal year 1969
			Date	Authority	
91	Palo Verde	California-Arizona	Aug. 31, 1954	Congress	Operated by Water Users.
92	Paonia, CRS Participating	Colorado	Mar. 18, 1939	President	Operated by Water Users. D&MC.
93	Parlier-Davis	Arizona-California-Nevada	May 28, 1954	Congress	Construction. Operated by United States.
94	Pecos River Basin Water Salvage	New Mexico-Texas	Sept. 12, 1964	do	Do.
95	Pine River	Colorado	June 17, 1937	President	Operated by United States and Water Users.
*96	Pine River Extension, CRS Part.	Colorado-New Mexico.	Apr. 11, 1956	Congress	Deauthorized, Sept. 30, 1968.
97	Preston Bench	Idaho	June 15, 1948	do	Operated by Water Users.
98	Provo River	Utah	Nov. 16, 1935	President	Do.
99	Rapid Valley	South Dakota	Nov. 8, 1939	do	Operated by United States and Water Users.
100	Ratidrum Prairie; Post Falls Unit	Idaho	Jan. 29, 1944	do	Operated by Water Users.
*101	Red Bluff	Texas	June 9, 1947	Secretary	Do.
102	(Ririe)	Idaho	June 18, 1926	Congress	WPA-built and operated by Water Users.
103	Rio Grande	New Mexico-Texas	Oct. 28, 1962	do	Advance planning. USCE project.
104	Riverbton	Wyoming	Dec. 2, 1905	Secretary	Operated by United States.
	Rogue River Basin; Medford and Rogue River Valley	Oregon	June 5, 1920	Congress	Operated by United States and Water Users.
	I.D.s		Aug. 20, 1954	do	Operated by Water Users.
	Talent Division	do	Aug. 20, 1954	do	Operated by United States and Water Users.
	Agate Dam and Reservoir	do	Oct. 1, 1962	do	Operated by Water Users.
105	Salt River	Arizona	Mar. 14, 1903	Secretary	Operated by Water Users. R&B.
106	San Angelo	Texas	Aug. 16, 1957	Congress	Operated by Water Users. D&MC.
	(San Diego)	California	Nov. 29, 1944	President	Constructed for Navy Department. Operated by Water Users.
107	San Juan-Chama, CRS Participating, Initial Phase.	Colorado-New Mexico.	June 13, 1962	Congress	Construction.
*	San Luis Valley	Colorado	Feb. 1, 1940	Secretary	No construction started.
108	Sanpete	Utah	Mar. 31, 1949	do	Operated by United States and Water Users.
109	Santa Margarita	California	Nov. 6, 1935	President	Operated by Water Users.
*110	Santa Maria	do	July 28, 1954	Congress	Not yet under construction.
111	(Savage Rapids Dam)	Oregon	Sept. 3, 1954	do	Operated by Water Users.
112	Savery-Pot Hook, CRS Participating	Colorado-Wyoming	July 9, 1952	do	Part of Grants Pass Project.
113	Scofield	Utah	Sept. 2, 1964	do	Advance planning.
114	Seedskadee, CRS Participating	Wyoming	June 24, 1943	President	Operated by Water Users. D&MC.
115	Shoshone	Wyoming-Montana	Apr. 11, 1956	Congress	Operated by United States and Water Users. D&MC.
116	Silt, CRS Participating	Colorado	Feb. 10, 1904	Secretary	Operated by Water Users. D&MC.
117	Smith Fork, CRS Participating (Snettisham, Crater-Long Lakes Division)	Alaska	Apr. 11, 1956	do	Do.
	Solano	California	Oct. 23, 1962	do	Transferred to Alaska Power Administration, June 16, 1967.
118			Nov. 11, 1948	Secretary	Operated by United States and Water Users. D&MC.

119	Southern Nevada Water	Nevada	Oct. 22, 1965	Construction. Operated by Water Users.
120	Spokane Valley	Washington-Idaho	Sept. 16, 1959	Do.
121	Strawberry Valley	Utah	Dec. 16, 1905	Do.
122	Sun River	Montana	Feb. 26, 1906	Construction. Operated by Water Users, D&MC.
123	Teton Basin, Lower Teton Division	Idaho	Sept. 7, 1964	Operated by Water Users.
124	The Dalles, Western Division	Oregon	Sept. 21, 1935	Advance planning.
125	Truckee Storage	Nevada-California	Sept. 20, 1966	Operated by Water Users, R&B.
126	Tualatin	Oregon	Aug. 2, 1937	Operated by United States and Water Users.
127	Tucumcari	New Mexico	Dec. 4, 1905	Operated by Water Users, R&B.
128	Umatilla	Oregon	Oct. 21, 1926	Construction not undertaken.
129	Uncompahgre (Gunnison)	Colorado	Mar. 14, 1903	Operated by Water Users.
*130	Vale	Oregon	Oct. 28, 1941	Operated by Water Users.
131	Valley Gravity	Texas	Mar. 1, 1956	Do.
132	Ventura River	California	Sept. 27, 1950	Operated by United States and Water Users.
133	Vermejo	New Mexico	June 28, 1938	Operated by Water Users, D&MC.
134	W. C. Austin (Lugert-Alhus)	Oklahoma	June 4, 1956	Construction. Operated by United States and Water Users.
135	Wapinitia, Juniper Division	Oregon	Feb. 25, 1956	Operated by Water Users.
136	Washita Basin	Oklahoma	Aug. 1, 1956	Construction. Operated by United States and Water Users.
137	Washoe	Nevada-California	Aug. 29, 1949	Operated by Water Users.
138	Weber Basin	Utah	Jan. 8, 1927	Do.
139	Weber River (Salt Lake Basin)	do	Sept. 14, 1960	Operated by Water Users.
140	Wichita, Cheney Division	Kansas	Sept. 23, 1906	Do.
*141	Williston	North Dakota	Jan. 28, 1965	Advance planning. USCE project.
142	(Willow Creek)	Oregon	Oct. 27, 1965	Operated by United States and Water Users, R&B.
143	Yakima	Washington	Dec. 12, 1905	Operated by United States and Water Users.
144	Yuma	Arizona-California	May 10, 1904	Operated by Water Users.
145	Yuma Auxiliary	Arizona	Jan. 25, 1917	Do.
<i>Fiscal Year 1969</i>				
146	Missouri River Basin, Oahe Unit, James Division.	South Dakota	Aug. 3, 1968	Advance planning.
147	Mountain Park	Oklahoma	Sept. 21, 1968	Authorized.
148	Dixie	Utah	Sept. 30, 1968	Reauthorized.
149	Central Arizona	Arizona-New Mexico.	Sept. 30, 1968	Authorized.
150	Animas-La Plata, CRS Participating	Colorado-New Mexico.	Sept. 30, 1968	Do.
151	Dolores, CRS Participating	Colorado	Sept. 30, 1968	Do.
152	Dallas Coack, CRS Participating	do	Sept. 30, 1968	Do.
	Wes Divide, CRS Participating	do	Sept. 30, 1968	Do.
	San Miguel, CRS Participating	do	Sept. 30, 1968	Do.
	Central Utah, CRS Participating, Uintah Unit.	Utah	Sept. 30, 1968	Provisional authorization.
	Palmetto Bend, First Stage	Texas	Oct. 12, 1968	Authorized.

NOTES: 1. Except as noted by parentheses, this list includes as numbered items all original authorizations for construction by the Bureau of Reclamation, or Reclamation Service, with the date and source of the original authorization. Reauthorization or additional authorizations for the same project are not included except for reference for current programs. Where projects have been authorized by more than one method, i.e., Secretary or President or Act of Congress, only the first or earliest method is shown. Where a project has been reauthorized with all construction performed under the subsequent reauthorization, the original authorization is shown. Included are some projects (*) on which no

construction has been actually performed. Projects or works constructed for other agencies under the Economy Act, for which there is no direct authorization to the Bureau of Reclamation, are not included.

2. Parentheses indicate names of project divisions which are tabulated elsewhere in listing, and projects constructed for or by other agencies.

*Inactive, abandoned or deferred construction projects.

D&M=Drainage and Minor Construction.

R&B=Rehabilitation and Betterment.

CRS=Colorado River Storage.

Annual authorizations for reclamation project construction

Fiscal Year	Project	State	Authorization	
			Action	Date
1903	Milk River, First Unit	Montana	Authorized by Secretary.	Mar. 14, 1903
	Newlands (Truckee)	Nevada	do	Do.
	North Platte (Sweetwater), Dam.	Wyoming	do	Do.
	Salt River	Arizona	do	Do.
	Uncompahgre (Gunnison).	Colorado	do	Do.
1904	Belle Fourche	South Dakota	Authorized by Secretary.	May 10, 1904
	Hondo	New Mexico	do	Nov. 10, 1903
	Lower Yellowstone (Fort Buford).	North Dakota-Montana.	do	May 10, 1904
	Malheur (not built)	Oregon	do	May 11, 1904
	Minidoka	Idaho	do	Apr. 23, 1904
	North Platte, Pathfinder Dam.	Wyoming	do	May 3, 1904
	Shoshone (Cody)	do	do	Feb. 10, 1904
	Uncompahgre Valley	Colorado	do	June 7, 1904
	Yuma	Arizona-California	do	May 10, 1904
1905	Bismark (tentative)	North Dakota	Authorized by Secretary.	Nov. 18, 1904
	Boise (Payette-Boise)			
	Deer Flat.	Idaho	do	Mar. 27, 1905
	Buford-Trenton (tentative).	North Dakota	do	Nov. 18, 1904
	Huntley	Montana	do	Apr. 18, 1905
	Klamath	Oregon-California	do	May 15, 1905
	Milk River (St. Mary), provisional.	Montana	Reauthorized by Secretary.	Mar. 25, 1905
	Palouse, preliminary (not built).	Washington	Authorized by Secretary.	Nov. 14, 1904
	Rio Grande, Engle Dam	New Mexico	PL 58-104	Feb. 25, 1905
	Buford-Trenton	North Dakota	Authorized by Secretary.	Jan. 23, 1906
	Carlsbad	New Mexico	do	Nov. 23, 1905
	Garden City	Kansas	do	Oct. 5, 1905
1906	Milk River (St. Mary), final.	Montana	do	Jan. 15, 1906
	Nesson (not built)	North Dakota	do	Jan. 23, 1906
	Okanogan	Washington	do	Dec. 2, 1905
	Rio Grande, Leasburg Dam.	New Mexico-Texas	do	Do.
	Salt River, Arizona Dam.	Arizona	do	Jan. 13, 1906
	Strawberry Valley	Utah	do	Dec. 15, 1905
	Sun River	Montana	do	Feb. 26, 1906
	Umatilla	Oregon	do	Dec. 4, 1905
	Williston	North Dakota	do	Jan. 23, 1906
	Yakima, Sunnyside	Washington	do	Dec. 12, 1905
	Yakima, Tieton	do	do	Do.
	Yakima, Wapato-Indian (Jones Act).	do	PL 59-36	Mar. 6, 1906
	Yakima, Wapato-Indian (pursuant to above).	do	Authorized by Secretary.	June 16, 1906
1907	Blackfeet-Indian	Montana	AAPL 59-154	Mar. 1, 1907
	Blackfeet-Indian (Reclamation).	do	Authorized by Secretary.	June 28, 1907
	Orland (Sacramento Valley), conditional.	California	do	Dec. 18, 1906
	Rio Grande, Elephant Butte (Engle).	New Mexico-Texas	AAPL 59-253	Mar. 4, 1907
1908	Flathead-Indian	Montana	AAPL 60-104	Apr. 30, 1908
	Fort Peck-Indian	do	PL 60-177	May 30, 1908
	Orland (Sacramento Valley), definite.	California	Authorized by Secretary.	Oct. 5, 1907
1909	Grand Valley, contract	Colorado	Approved by Secretary.	Feb. 20, 1909
1910	None.			

See footnotes at end of table.

*Annual authorizations for reclamation project
construction—Continued*

Fiscal Year	Project	State	Authorization	
			Action	Date
1911	Belle Fourche	South Dakota	Reapproved by President.	Jan. 5, 1911
	Boise (Payette-Boise)	Idaho	do	Do.
	Buford-Trenton (Missouri River Pumping)	North Dakota	Reapproved by President.	Do.
	Carlsbad	New Mexico	do	Do.
	Garden City	Kansas	do	Do.
	Grand Valley	Colorado	Approved by President.	Do.
	Hondo	New Mexico	Reapproved by President.	Do.
	Huntley	Montana	do	Do.
	Klamath	Oregon-California	do	Do.
	Lower Yellowstone	North Dakota-Montana	do	Do.
	Milk River and St. Mary	Montana	do	Do.
	Minidoka	Idaho	do	Do.
	Newlands (Truckee-Carson)	Nevada	do	Do.
	North Platte, Interstate and Goshen Park	Nebraska-Wyoming	do	Do.
	Okanogan	Washington	do	Do.
	Orland	California	do	Do.
	Rio Grande and Leasburg	New Mexico-Texas	do	Do.
	Salt River	Arizona	do	Do.
	Shoshone	Wyoming	do	Do.
	Strawberry Valley	Utah	do	Do.
	Sun River	Montana	do	Do.
	Umatilla	Oregon	do	Do.
	Uncompahgre	Colorado	do	Do.
	Williston (Missouri River Pumping)	North Dakota	do	Do.
	Yakima, Sunnyside	Washington	do	Do.
	Yakima, Tieton	do	do	Do.
	Yakima, Kittitas	do	do	Do.
	Yakima, Wapato	do	do	Do.
	Yakima, Benton	do	do	Do.
	Yuma	Arizona-California	do	Do.
1912	None.			
1913	None.			
1914	None.			
1915	Lawton (not built)	Oklahoma	Approved by President.	Oct. 8, 1914
1916	None.			
1917	King Hill (provisional)	Idaho	AAPL 65-21	June 12, 1917
	Lawton, increased cost (not built)	Oklahoma	Reapproved by President.	Mar. 21, 1917
	Lawton, postponed	Oklahoma	Authorized by Secretary.	May 31, 1917
	Yuma Auxiliary	Arizona	PL 64-293	Jan. 25, 1917
1918	King Hill (pursuant to above)	Idaho	Approved by Secretary.	July 2, 1917
1919	None.			
1920	Riverton (to Reclamation)	Wyoming	AAPL 66-246	June 5, 1920
1921	None.			
1922	None.			
1923	None.			
1924	Yuma, Siphon Drop powerplant	Arizona-California	AAPL 68-199	June 5, 1924
1925	Colo. R. Front Work & Levee Sys. (O&M)	Arizona-California	RHPL 68-585	Mar. 3, 1925

See footnotes at end of table.

*Annual authorizations for reclamation project
construction—Continued*

Fiscal Year	Project	State	Authorization	
			Action	Date
	North Platte, Guernsey Dam & Power.	Nebraska-Wyoming	Approved by President.	Apr. 30, 1925
	Yuma Auxiliary, First Mesa.	Arizona	Public Res. 68-51	Feb. 21, 1925
1926	Red Bluff (not built)	Texas	PL 69-404	June 18, 1926
1927	Colorado River Front Work and Levee Sys- tem (O&M).	Arizona-California	RHPL 69-560	Jan. 21, 1927
	Owyhee	Oregon-Idaho	Approved by President	Oct. 12, 1926
	Vale	Oregon	do	Oct. 21, 1926
	Weber River (Salt Lake Basin, First Division).	Utah	do	Jan. 8, 1927
1928	None.			
1929	Boulder Canyon, Hoover Dam and All-American Canal System.	Arizona-California- Nevada.	PL 70-642	Dec. 21, 1928
	Boise, Payette, Dead- wood Dam.	Idaho	Approved by President	Oct. 19, 1928
	Minidoka, Gooding (Gravity Extension).	do	do	July 3, 1928
1930	None.			
1931	Baker	Oregon	Approved by President	Mar. 18, 1931
	Bitter Root	Montana	PL 71-506	July 3, 1930
	Bitter Root (pursuant to above).	do	FF by Secretary to Congress.	Nov. 25, 1930
	Yakima, Kennewick Highlands Division.	Washington	Approved by President	Mar. 7, 1931
1932	None.			
1933	Palo Verde Valley Flood Protection.	California	AAPL 72-235	July 1, 1932
1934	Hyrum (Salt Lake Bas- in, Second Division, Cache Valley).	Utah	Approved by President	Sept. 18, 1933
1935	None.			
1936	Boise, Payette Division	Idaho	Approved by President	² Dec. 19, 1935
	Burnt River, ERA funds	Oregon	do	Aug. 13, 1935
	Burnt River	do	FF by Secretary	Sept. 25, 1935
	Carlsbad, Alamogordo Reservoir.	New Mexico	Approved by President	² Nov. 6, 1935
	Central Valley, Initial Plan.	California	do	² Dec. 2, 1935
	Columbia Basin, Grand Coulee Dam.	Washington	RHPL 74-409	² Aug. 30, 1935
	Columbia Basin (pur- suant to above act).	do	Approved by President	Jan. 29, 1936
	Frenchtown	Montana	do	² Sept. 21, 1935
	Humboldt	Nevada	do	² Nov. 6, 1935
	Hyrum	Utah	Reapproved by Presi- dent.	Do.
	Kendrick (Casper-Al- cova).	Wyoming	Approved by President	² Aug. 30, 1935
	Milk River, Fresno (Chain Lakes) Dam.	Montana	do	² Aug. 1935 (undated)
	Minidoka (Upper Snake) Storage Division.	Idaho	do	² Sept. 20, 1935
	Moon Lake	Utah	do	² Nov. 6, 1935
	Ogden River	do	do	² Nov. 16, 1935
	Parker Dam	Arizona-California	RHPL 74-409	² Aug. 30, 1935
	Parker Dam (pursuant to above act).	Arizona-California	Approved by President	Jan. 29, 1936
	Provo River, Deer Creek & Utah Lake.	Utah	do	² Nov. 16, 1935

See footnotes at end of table.

*Annual authorizations for reclamation project
construction—Continued*

Fiscal Year	Project	State	Authorization	
			Action	Date
	Rio Grande Canalization (State Dept.).	New Mexico-Texas	PL 74-392	Aug. 29, 1935
	Rio Grande, Caballo Dam	Texas	Department Agreement	² Oct. 9, 1935
	Rio Grande Canalization (State Dept.).	New Mexico-Texas	PL 74-648	June 4, 1936
	Sanpete	Utah	Approved by President	² Nov. 6, 1935
	Truckee Storage	California-Nevada	do	² Sept. 21, 1935
	Uncompahgre, Rehab. and Taylor Park Dam.	Colorado	do	² Nov. 6, 1935
	Yakima, Roza	Washington	do	Do.
1937	Gila	Arizona	Approved by President	² June 21, 1937
	Pine River	Colorado	do	June 17, 1937
1938	Boise, Twin Springs Dam (not built).	Idaho	AAPL 75-497	May 9, 1938
	Buffalo Rapids, First Division (Glendive).	Montana	Approved by President	² Sept. 27, 1937
	Central Valley, reautho- rized Reclamation.	California	RHPL 75-392	Aug. 26, 1937
	Colorado-Big Thompson	Colorado	AAPL 75-249	Aug. 9, 1937
	Colorado-Big Thompson (full power).	do	Approved by President	Dec. 21, 1937
	Colorado River, Mar- shall Ford Dam.	Texas	RHPL 75-392	² Aug. 26, 1937
	Deschutes, North Unit	Oregon	Approved by President	² Nov. 1, 1937
	Fort Peck, completion and energy sale.	Montana-North Dakota.	PL 75-529	May 18, 1938
	Fruitgrowers Dam	Colorado	Approved by President	² Jan. 11, 1938
	Rio Grande, Elephant Butte power.	N.Mex.-Texas	AAPL 75-249	Aug. 9, 1937
	Rio Grande, Elephant Butte power (PWA).	N.Mex.-Texas	Approved by President	June 21, 1938
	Tucumcari (Arch Hur- ley), not effective.	New Mexico	PL 75-241	Aug. 2, 1937
	Tucumcari (Arch Hur- ley).	do	PL 75-477	Apr. 9, 1938
	W. C. Austin, Lugert- Altus Reservoir.	Oklahoma	RHPL 75-761	June 28, 1938
1939	Paonia (not built, see 1947).	Colorado	Approved by President	Mar. 18, 1939
	Parker Dam Power Facilities.	Arizona-California	AAPL 76-61	May 2, 1939
	Provo River, Salt Lake Aqueduct.	Utah	Approved by President	Oct. 24, 1938
	Tucumcari (pursuant to above).	New Mexico	do	Nov. 1, 1938
	W.C.U. projects, Great Plains.	Various	AAPL 76-68	May 10, 1939
1940	Bismarck, W.C.U. (not built, see 1943).	North Dakota	Approved by President	Apr. 26, 1940
	Boise, Anderson Ranch Dam (see 1941).	Idaho	FF by Secretary to President.	June 25, 1940
	Buffalo Rapids, First Division, enlargement and W.C.U.	Montana	Approved by President	May 15, 1940
	Buffalo Rapids, Second Division, W.C.U.	do	do	Oct. 11, 1939
	Buffalo Rapids, Second Division, enlargement.	do	do	May 15, 1940
	Buford-Trenton, W.C.U.	North Dakota	do	Sept. 23, 1939
	Carlsbad, Alamogordo Dam, flood.	New Mexico	PL 76-396	Aug. 11, 1939
	Kings River (not built by USBR).	California	FF by Secretary to President.	Jan. 24, 1940
	Do	do	FF by Secretary to Congress.	Feb. 10, 1940
	Mirage Flats, W.C.U.	Nebraska	Approved by President	Apr. 26, 1940
	Rapid Valley, W.C.U.	South Dakota	do	Nov. 8, 1939
	San Luis Valley (see 1949).	Colorado	FF by Secretary to President.	Feb. 1, 1940
	Do	do	FF by Secretary to Congress.	Apr. 10, 1940

See footnotes at end of table.

*Annual authorizations for reclamation project
construction—Continued*

Fiscal Year	Project	State	Authorization	
			Action	Date
1941	W.C.U. projects, Wheeler-Case.	Various	PL 76-398	Aug. 11, 1939
	Angostura, W.C.U. (now in MRB).	South Dakota	Approved by President.	Mar. 6, 1941
	Boise, Anderson Ranch Dam (see 1940).	Idaho	FF by Secretary to Congress.	Aug. 12, 1940
	Boise, Cascade storage capacity.	.....do.....	AAPL 77-136	June 28, 1941
	Boulder Canyon Ad- justment Act.	Arizona-Nevada	PL 76-756	July 19, 1940
	Central Valley, distri- bution systems.	California	RHPL 76-868	Oct. 17, 1940
	Colorado River Front Work and Levee Sys- tem (Yuma to Boulder Dam).	Arizona-California- Nevada.	PL 76-697	July 1, 1940
	Davis Dam (Bullshead)....	Arizona-Nevada	FF by Secretary to President.	Apr. 14, 1941
	Do.....	.....do.....	FF by Secretary to Congress.	Apr. 26, 1941
	Eden, W.C.U.	Wyoming	Approved by President.	Sept. 18, 1940
	Kendrick, Kortez Power- plant (now in Mis- souri River Basin).	.....do.....	FF by Secretary to President.	Nov. 26, 1941
	Mancos, W.C.U.	Colorado	Approved by President.	Oct. 24, 1940
	Milk River, Saco Di- vide, W.C.U. (now in MRB).	Montana	do	Apr. 11, 1941
	Newton, W.C.U.	Utah	do	Oct. 17, 1940
	Rapid Valley, Pactola Dam, W.C.U.	South Dakota	Reapproved by Presi- dent.	Oct. 25, 1940
1942	Truckee Storage, com- plete Boca Dam.	California	PL 77-86	May 29, 1941
	Valley Gravity (not built).	Texas	AAPL 77-136	June 28, 1941
	W. C. Austin (Altus)	Oklahoma	Approved by President.	Feb. 13, 1941
	W.C.U. projects, amend- ment.	Various	PL 76-848	Oct. 14, 1940
	Mann Creek (not built), W.C.U.	Idaho	Approved by President.	July 7, 1941
1943	Palisades (See 1951) .....	.....do.....	FF by Secretary to President.	Sept. 13, 1941
	Do.....	.....do.....	FF by Secretary to Congress.	Dec. 9, 1941
	Rapid Valley, Deerfield Dam, W.C.U.	South Dakota	Reapproved by Presi- dent.	June 5, 1942
	Bismarck, W.C.U. res- cinded & deferred.	North Dakota	Approved by President.	Aug. 7, 1942
1944	Buford-Trenton, enlarge- ment, W.C.U.	.....do.....	do	Do.
	Columbia Basin, Recla- mation Law.	Washington	PL 78-8	Mar. 10, 1943
	Scofield, W.C.U.	Utah	Approved by President.	June 24, 1943
	Balmorhea, W.C.U.	Texas	do	Apr. 15, 1944
	Bitterroot Valley, Wood- side Unit, W.C.U. (not built).	Montana	do	Mar. 22, 1944
	Buffalo Rapids, Second Division, W.C.U. com- plete.	.....do.....	do	Nov. 30, 1943
	Colo. R. Front Work, Palo Verde weir.	California	AAPL 78-279	Apr. 1, 1944
	Hungry Horse (high dam).	Montana	PL 78-329	June 5, 1944
	Intake, W.C.U.	.....do.....	Approved by President.	Jan. 20, 1944
	Milk River, Dodson Pumping, W.C.U.	.....do.....	do	Mar. 17, 1944
1944	Missoula Valley, W.C.U.	.....do.....	do	May 10, 1944
	Missouri River Basin (incl. U.S.C.E.).	10 States	FF by Secretary to President. ³	May 1, 1944

See footnotes at end of table.

*Annual authorizations for reclamation project
construction—Continued*

Fiscal Year	Project	State	Authorization	
			Action	Date
	Newton, completion, W.C.U.	Utah	Approved by President.	Aug. 31, 1943
	Rapid Valley, Deerfield Unit, completion, W.C.U.	South Dakota	do	Nov. 22, 1943
	Rathdrum Prairie, Post Falls, W.C.U.	Idaho	do	Jan. 29, 1944
1945	Mancos, Expansion, W.C.U.	Colorado	Approved by President.	Dec. 20, 1944
	Mirage Flats, comple- tion, W.C.U.	Nebraska	do	July 13, 1944
	Missouri River Basin, initial stages.	10 States	FCPL 78-534	Dec. 22, 1944
	Rathdrum Prairie, Post Falls, W.C.U. (USDA).	Idaho	Reapproved by Presi- dent.	Feb. 24, 1945
	San Diego, Plans by Reclamation.	California	Approved by President.	Nov. 29, 1944
	Shoshone, Heart Moun- tain Powerplant.	Wyoming	FF by Secretary to President.	June 19, 1945
1946	Colorado River Front Work, extension.	Arizona-California- Nevada.	PL 79-469	June 28, 1946
	Lewiston Orchards	Idaho	FF by Secretary to President.	May 31, 1946
	Shoshone, Heart Moun- tain Power Plant.	Wyoming	FF by Secretary to Congress.	Aug. 31, 1945
1947	Lewiston Orchards	Idaho	PL 79-569	July 31, 1946
	Missouri River Basin, Comprehensive plan.	10 States	FCPL 79-526	July 24, 1946
	Paonia, reauthorization	Colorado	PL 80-117	June 25, 1947
	Rathdrum Prairie, Hay- den Lake.	Idaho	FF by Secretary to President.	June 9, 1947
1948	Arnold	Oregon	AAPL 80-247	July 25, 1947
	Arnold, additional funds	do	AAPL 80-393	Dec. 23, 1947
	Boulder Canyon, All- American Canal:			
	Coachella Division Distribution System.	California	FF by Secretary to President.	July 22, 1947
	Do	do	FF by Secretary to Congress.	July 24, 1947
	Cachuma (Santa Barbara).	do	FF by Secretary to President.	Mar. 4, 1948
	Do	do	FF by Secretary to Congress.	Mar. 24, 1948
	Crooked River (Ochoco Dam).	Oregon	AAPL 80-841	June 29, 1948
	Fort Sumner, Flood protection.	New Mexico	AAPL 80-785	June 25, 1948
	Gila, Wellton-Mohawk and reauth.	Arizona	PL 80-272	July 30, 1947
	Middle Rio Grande, USBR and USCE.	New Mexico	FF by Secretary to President.	Apr. 28, 1948
	Middle Rio Grande, ap- proval of plan.	do	FCPL 80-858	June 30, 1948
	Preston Bench	Idaho	PL 80-644	June 15, 1948
	Rathdrum Prairie, Hay- den Lake.	do	FF by Secretary to Congress.	July 7, 1947
	San Diego, First Barrel, ratification.	California	PL 80-482	Apr. 15, 1948
	Yakima, Kennewick	Washington	PL 80-629	June 12, 1948

See footnotes at end of table.

*Annual authorizations for reclamation project
construction—Continued*

Fiscal Year	Project	State	Authorization	
			Action	Date
1949	Columbia Basin, additional capacity.	do	FF by Secretary to President.	Jan. 5, 1949
	Do	do	FF by Secretary to Congress.	Feb. 8, 1949
	Eden, completion	Wyoming	PL 81-132	June 28, 1949
	San Luis Valley, Platoro Unit.	Colorado	FF by Secretary to President.	Mar. 7, 1949
	Do	do	FF by Secretary to Congress.	Mar. 31, 1949
	Solano	California	FF by Secretary to President.	Nov. 11, 1948
	Do	do	FF by Secretary to Congress.	Jan. 28, 1949
	Yuma Auxiliary, works of Gila and Yuma.	Arizona	PL 81-102	June 13, 1949
	Arnold, additional funds	Oregon	AAPL 81-350	Oct. 12, 1949
	Buffalo Rapids, completion.	Montana	PL 81-336	Oct. 10, 1949
1950	Central Valley, American River Division.	California	PL 81-356	Oct. 14, 1949
	Fort Sumner	New Mexico	PL 81-192	July 29, 1949
	Grants Pass, Northwest Unit pipeline.	Oregon	AAPL 81-350	Oct. 12, 1949
	Kendrick, Alcova powerplant.	Wyoming	FF by Secretary to President.	Sept. 20, 1949
	Middle Rio Grande, completion.	New Mexico	FCPL 81-516	May 17, 1950
	Missouri R. Basin, additional funds.	10 States	FCPL 81-516	Do.
	Ochoco, additional funds	Oregon	AAPL 81-350	Oct. 12, 1949
	Weber Basin	Utah	PL 81-273	Aug. 29, 1949
	Canadian River	Texas	PL 81-898	Dec. 29, 1950
	Central Valley, Sacramento Canals.	California	PL 81-839	Sept. 26, 1950
1951	Colo. R. Front Work and Levee System, cost credits adjoining projects.	Arizona-California-Nevada.	PL 81-750	Sept. 2, 1950
	Eklutna	Alaska	PL 81-628	July 31, 1950
	Kendrick, Alcova powerplant.	Wyoming	FF by Secretary to Congress.	Aug. 22, 1950
	Minidoka: American Falls Power Division.	Idaho	PL 81-864	Sept. 30, 1950
	Minidoka: North Side Pumping Division.	do	PL 81-864	Do.
	Palisades (reauthorized)	do	PL 81-864	Do.
	Vermejo	New Mexico	PL 81-848	Sept. 27, 1950
	Vermejo (required by above act).	do	Approved by President.	June 22, 1951
	Provo River, Deer Creek powerplant.	Utah	FF by Secretary to President.	Aug. 20, 1951
	San Diego, Second Barrel (Navy).	California	PL 82-171	Oct. 11, 1951
1953	Central Valley, Trinity River Division.	do	FF by Secretary to President.	Dec. 9, 1952
	Do	do	FF by Secretary to Congress.	Jan. 2, 1953
	Central Valley, Sacramento Canals, (Pursuant to Act of Sept. 26, 1950).	do	FF by Secretary to Congress.	Jan. 19, 1953
	Collbran	Colorado	PL 82-445	July 3, 1952
	Grants Pass, Savage Rapids Dam.	Oregon	AAPL 82-470	July 9, 1952

See footnotes at end of table.

*Annual authorizations for reclamation project
construction—Continued*

Fiscal Year	Project	State	Authorization	
			Action	Date
1954	Provo River, Deer Creek powerplant.	Utah	FF by Secretary to Congress.	Sept. 10, 1952
	Avondale	Idaho	AAPL 83-172	July 31, 1953
	Buford-Trenton, protective works.	North Dakota	AAPL 83-172	Do.
	Dalton Gardens	Idaho	AAPL 83-172	Do.
	Eklutna	Alaska	PL 83-260	Aug. 13, 1953
	Falcon (energy transmission).	Texas	PL 83-406	June 18, 1954
	Parker-Davis, consolidation.	Arizona-California-Nevada.	PL 83-373	May 28, 1954
1955	Avondale, additional funds.	Idaho	AAPL 83-465	July 1, 1954
	Carlsbad, Alamogordo Spillway enlargement.	New Mexico	AAPL 83-465	Do.
	Central Valley, water-fowl areas.	California	PL 83-674	Aug. 27, 1954
	Chief Joseph Dam, Foster Creek.	Washington	PL 83-540	July 27, 1954
	Crescent Lake Dam	Oregon	AAPL 83-465	July 1, 1954
	Deschutes, Haystack Dam.	do	PL 83-573	Aug. 10, 1954
	Michaud Flats	Idaho	PL 83-741	Aug. 31, 1954
	Missouri River Basin: Glendo Unit.	Wyoming	PL 83-503	July 16, 1954
	Ainsworth Unit	Nebraska	PL 83-612	Aug. 21, 1954
	Lavaca Flats Unit	do	PL 83-612	Do.
	Mirage Flats Extension Unit.	do	PL 83-612	Do.
	O'Neill Unit	do	PL 83-612	Do.
	Palo Verde	California-Arizona	PL 83-752	Aug. 31, 1954
	Rogue R. Basin, Talent Division and Rehabilitation.	Oregon	PL 83-606	Aug. 20, 1954
	Santa Margarita	California	PL 83-547	July 28, 1954
	Santa Maria	do	PL 83-774	Sept. 3, 1954
1956	Central Valley, Trinity River.	California	PL 84-386	Aug. 12, 1955
	Colorado River Storage: Curecanti Unit, provisional.	Colorado	PL 84-485	Apr. 11, 1956
	Flaming Gorge Unit	Utah-Wyoming		
	Glen Canyon Unit	Arizona-Utah		
	Navajo Unit	New Mexico-Colorado.		
	Participating Projects (CRS):			
	Central Utah, initial phase.	Utah		
	Emery County	do		
	Florida	Colorado		
	Hammond	New Mexico		
	La Barge	Wyoming		
	Lyman	Wyoming-Utah		
	Paonia, includes Minnesota unit.	Colorado		
	Pine River Extension.	Colorado-New Mexico.		
	Seedskaadee	Wyoming		
	Silt	Colorado		
	Smith Fork	do		
	Gila, Yuma Mesa facilities.	Arizona	PL 84-394	Jan. 28, 1956
	Missouri River Basin, Ainsworth Unit (pursuant to PL 83-612).	Nebraska	PL 84-531	May 18, 1956
	Red Willow and Wilson Dams transferred.	Nebraska-Kansas	PL 84-505	May 2, 1956
	Ventura River	California	PL 84-423	Mar. 1, 1956

See footnotes at end of table.

*Annual authorizations for reclamation project
construction—Continued*

Fiscal Year	Project	State	Authorization	
			Action	Date
1957	Wapinitia, Juniper Division.	Oregon	PL 84-559	June 4, 1956
	Washita Basin	Oklahoma	PL 84-419	Feb. 25, 1956
	Central Valley, Trinity Power Increase.	California	AAPL 84-641	July 2, 1956
	Columbia Basin: Grand Coulee Spillway lighting.	Washington	AAPL 84-641	July 2, 1956
	Soap Lake protection.	.....do.....	AAPL 84-641	July 2, 1956
	Crooked River (Ochoco and Cove powerplant).	Oregon	PL 84-992	Aug. 6, 1956
	Grants Pass, Savage Rapids Dam, fish protective facilities.	.....do.....	AAPL 84-641	July 2, 1956
	Little Wood River	Idaho	PL 84-993	Aug. 6, 1956
	Missouri R. Basin, Farwell Unit, amended.	Nebraska	PL 84-952	Aug. 3, 1956
	Rathdrum Prairie, Hayden Lake, rehabilitation.	Idaho	AAPL 84-641	July 2, 1956
	Washoe	Nevada-California	PL 84-858	Aug. 1, 1956
	Arnold, additional funds	Oregon	AAPL 85-167	Aug. 26, 1957
	Chief Joseph Dam, Greater Wenatchee.	Washington	PL 85-393	May 5, 1958
	Colorado River Front Work and LS, protective works.	Arizona-California	PL 85-389	May 1, 1958
	Lower Rio Grande, Mercedes Division.	Texas	PL 85-370	Apr. 7, 1958
1958	McMillan Delta	New Mexico	PL 85-333	Feb. 20, 1958
	San Angelo	Texas	PL 85-152	Aug. 16, 1957
	Missouri River Basin, increase.	10 States	FCPL 85-500	July 3, 1958
	Glendo, Gray Reef Dam	Wyoming	PL 85-695	Aug. 20, 1958
	Glendo (required by above act).	.....do.....	FF by Secretary to President.	Mar. 21, 1959
	Do.....	.....do.....	FF by Secretary to Congress.	May 12, 1959
	Red Willow Dam (required by PL 84-505).	Nebraska	PL 85-783	Aug. 27, 1958
	Washoe (Prosser Creek Dam).	Nevada-California	PL 85-706	Aug. 21, 1958
	Central Valley, San Luis Unit.	California	PL 86-488	June 3, 1960
	Colorado River Storage, Curecanti Unit (required by PL 84-485).	.....do.....	FF by Secretary to Congress.	July 14, 1959
1960	(Blue Mesa and Morrow Point).	Colorado	FF by Secretary to Congress.	July 14, 1959
	(Transmission Lines).	.....do.....	PL 86-271	Sept. 14, 1959
	Crooked River, extra capacity.	Oregon	PL 86-357	Sept. 22, 1959
	Lower Rio Grande, La Feria Division.	Texas	PL 86-529	June 27, 1960
	Norman	Oklahoma	PL 86-276	Sept. 16, 1959
	Spokane Valley	Washington-Idaho	PL 86-248	Sept. 9, 1959
	Vale, Bully Creek Extension.	Oregon .....	.....do.....	Sept. 8, 1960
	Crescent Lake Dam, additional funds.	.....do.....	AAPL 86-722	Sept. 8, 1960
	Missouri River Basin, increase.	10 States	FCPL 86-645	July 14, 1960
	The Dalles, Western Division.	Oregon	PL 86-745	Sept. 13, 1960
1961	Wichita, Cheney Division	Kansas	PL 86-787	Sept. 14, 1960

See footnotes at end of table.

*Annual authorizations for reclamation project
construction—Continued*

Fiscal Year	Project	State	Authorization	
			Action	Date
1962	Avondale, Dalton Gardens, and Hayden Lake Pipe Rehabilitation.	Idaho	PL 87-289	Sept. 22, 1961
	Navajo Indian Irrigation (Participating).	New Mexico	PL 87-483	June 13, 1962
	San Juan-Chama (participating)—Initial stage.	Colorado-New Mexico.	PL 87-483	June 13, 1962
1963	Arbuckle	Oklahoma	PL 87-594	Aug. 24, 1962
	Baker, Upper Division	Oregon	PL 87-706	Sept. 27, 1962
	Chief Joseph Dam, Oroville-Tonasket.	Washington	PL 87-762	Oct. 9, 1962
	CRS, Curecanti Unit, Crystal Dam.	Colorado	FF by Secretary to Congress.	Mar. 4, 1963
	Delivery of Water to Mexico.	Arizona	AAPL 88-25	May 17, 1963
	Fryingpan-Arkansas	Colorado	PL 87-590	Aug. 16, 1962
	Mann Creek	Idaho	PL 87-589	Aug. 16, 1962
	Rio Grande, recreation facilities.	New Mexico	PL 87-542	July 25, 1962
	Rogue River Basin, Agate Dam.	Oregon	PL 87-727	Oct. 1, 1962
	Spokane Valley, M&I water, amended.	Washington-Idaho	PL 87-630	Sept. 5, 1962
	USCE construction-USBR oper. and/or marketing.			
	Central Valley, New Melones.	California	FCPL 87-874	Oct. 23, 1962
	Snettisham, Crater-Long Lakes Division.	Alaska	FCPL 87-874	Oct. 23, 1962
1964	Amistad (energy transmission).	Texas	PL 88-237	Dec. 23, 1963
	Missouri River Basin, increase.	10 States	PL 88-253	Dec. 30, 1963
	Riverton, Third Division facilities.	Wyoming	PL 88-278	Mar. 10, 1964
1965	Canadian River, recreation facilities.	Texas	PL 88-536	Aug. 31, 1964
	Chief Joseph Dam, Whitestone Coulee.	Washington	PL 88-599	Sept. 18, 1964
	Crooked River Extension	Oregon	PL 88-598	Sept. 18, 1964
	Delivery of Water to Mexico, additional funds.	Arizona	AAPL 88-511	Aug. 30, 1964
	Dixie	Utah	PL 88-565	Sept. 2, 1964
	Mann Creek, additional authorization.	Idaho	PL 89-60	June 30, 1965
	Milk River, Malta Street Improvements.	Montana	AAPL 88-511	Aug. 30, 1964
	Missouri River Basin, increase, 1965-66 and reauthorization requirement.	10 States	PL 88-442	Aug. 14, 1964
	Pacific Northwest-Southwest Intertie.	Arizona-California-Nevada.	PL 88-552	Aug. 31, 1964
	Participating Projects (CRS):			
	Bostwick Park	Colorado	} PL 88-568	Sept. 2, 1964
	Fruitland Mesa	do.		
	Savery-Pot Hook	Colorado-Wyoming		
	Pecos River Basin Water Salvage.	New Mexico-Texas	PL 88-594	Sept. 12, 1964
	Riverton, Third Division facilities, incr.	Wyoming	PL 88-569	Sept. 2, 1964
	Teton Basin, Lower Teton Division.	Idaho	PL 88-583	Sept. 7, 1964
	Weber Basin, access roads, non-reimb.	Utah	AAPL 88-511	Aug. 30, 1964

See footnotes at end of table.

*Annual authorizations for reclamation project
construction—Continued*

Fiscal Year	Project	State	Authorization			
			Action	Date		
1966	Central Valley, Auburn-Folsom South Unit, Columbia Basin, Third Powerplant. Deliver of Water to Mexico, additional funds. Milk River, Paradise Valley Diversion Dam. MRB, Garrison Diversion Unit. Southern Nevada Water ..	California	PL 89-161	Sept. 2, 1965		
		Washington	PL 89-448	June 14, 1966		
		Arizona	AAPL 89-299	Oct. 28, 1965		
		Montana	AAPL 89-299	Oct. 28, 1965		
		North Dakota-South Dakota.	PL 89-108	Aug. 5, 1965		
		Nevada	PL 89-292	Oct. 22, 1965		
1967	Chief Joseph Dam, Manson Unit. Missouri River Basin, increase, 1967-68. Southern Nevada Water, amendment. Tualatin	Washington	PL 89-557	Sept. 7, 1966		
		10 States	PL 89-515	July 19, 1966		
		Nevada	PL 89-510	July 19, 1966		
		Oregon	PL 89-596	Sept. 20, 1966		
		California	FCPL 89-789	Nov. 7, 1966		
		USCE, construction— USBR, O&M: Central Valley, Marysville Dam and Reservoir.	California	FCPL 89-789	Nov. 7, 1966	
1968	Central Valley, San Felipe Division. Sacramento Canals Capacity, increase. Missouri River Basin, increase, 1967-68. Nebraska Mid-State Division.	.....do.....	PL 90-72	Aug. 27, 1967	
		.....do.....	PL 90-65	Aug. 19, 1967	
		10 States	PL 90-89	Sept. 22, 1967		
		Nebraska	PL 90-136	Nov. 14, 1967		
1969	Colorado River Basin Project Act: Central Arizona	Arizona-New Mexico.	PL 90-537	Sept. 30, 1968		
		Distribution System ..	PL 90-537	Sept. 30, 1968		
		Dixie, reauthorization.	Utah	PL 90-537	Sept. 30, 1968	
		Participating projects (CRS): Animas-La Plata	Colorado-New Mexico.	} PL 90-537	Sept. 30, 1968	
						Colorado
					do.....
					do.....
					do.....
		Central Utah, Uintah Unit, provisional.	Utah	PL 90-537	Sept. 30, 1968	
		Pine River Extension, de-authorized.	Colorado-New Mexico.	PL 90-537	Sept. 30, 1968	
		MRB, Oahe Unit, James Division.	South Dakota	PL 90-453	Aug. 3, 1968	
		Mountain Park	Oklahoma	PL 90-503	Sept. 21, 1968	
		Palmetto Bend, first stage.	Texas	PL 90-562	Oct. 12, 1968	
		Land acquisition, second stage.do.....	PL 90-562	Oct. 12, 1968	

PL Public Law; Congress and number.

AAPL Appropriation Act, Public Law; Congress and number.

FCPL Flood Control Act, Public Law; Congress and number.

RHPL Rivers and Harbors Act, Public Law; Congress and number.

*Undated.

¹ Sept. 16, 1905, action rescinded Sept. 18, 1905.

² Prior approval of construction with emergency relief funds not included because subsequent

Parker Dam decision required regular Presidential authorization.

³ Authorization recommended.

GENERAL RECLAMATION
AUTHORIZATIONS

EMERGENCY FUND¹

An act to authorize an emergency fund for the Bureau of Reclamation to assure the continuous operation of its irrigation and power systems. (Act of June 26, 1948, 62 Stat. 1052, Public Law 80-790.)

SEC. 1. [Emergency fund to assure continuous operation of irrigation and power systems.] That, in order to assure continuous operation of irrigation or power systems operated and maintained by the Bureau of Reclamation, Department of the Interior, there is hereby authorized to be appropriated from the reclamation fund an emergency fund which shall be available for defraying expenses which the Commissioner of Reclamation determines are required to be incurred because of unusual or emergency conditions. (43 U.S.C. 502.)

SEC. 2. [Definition of "unusual or emergency conditions."] The term "unusual or emergency conditions", as used in this Act, shall be construed to mean canal bank failures, generator failures, damage to transmission lines; or other physical failures or damage, or acts of God, or the public enemy, fires, floods, drought, epidemics, strikes, or freight embargoes, or conditions, causing or threatening to cause interruption in water or power service. (43 U.S.C. 503).

¹ This act omitted from 1957 edition.

FEDERAL WATER PROJECT RECREATION ACT

An act to provide uniform policies with respect to recreation and fish and wildlife benefits and costs of Federal multiple-purpose water resource projects, and for other purposes.
(Act of July 9, 1965, 79 Stat. 213, Public Law 89-72.)

SEC. 1. [Policy of Congress and intent of Act.] That it is the policy of the Congress and the intent of this Act that (a) in investigating and planning any Federal navigation, flood control, reclamation, hydroelectric, or multiple-purpose water resource project, full consideration shall be given to the opportunities, if any, which the project affords for outdoor recreation and for fish and wildlife enhancement and that, wherever any such project can reasonably serve either or both of these purposes consistently with the provisions of this Act, it shall be constructed, operated, and maintained accordingly; (b) planning with respect to the development of the recreation potential of any such project shall be based on the coordination of the recreational use of the project area with the use of existing and planned Federal, State, or local public recreation developments; and (c) project construction agencies shall encourage non-Federal public bodies to administer project land and water areas for recreation and fish and wildlife enhancement purposes and operate, maintain, and replace facilities provided for those purposes unless such areas or facilities are included or proposed for inclusion within a national recreation area, or are appropriate for administration by a Federal agency as a part of the national forest system, as a part of the public lands classified for retention in Federal ownership, or in connection with an authorized Federal program for the conservation and development of fish and wildlife.

SEC. 2. (a) [Non-Federal public bodies. Project administration.] If, before authorization of a project, non-Federal public bodies indicate their intent in writing to agree to administer project land and water areas for recreation or fish and wildlife enhancement or for both of these purposes pursuant to the plan for the development of the project approved by the head of the agency having administrative jurisdiction over it and to bear not less than one-half the separable costs of the project allocated to either or both of said purposes, as the case may be, and all the costs of operation, maintenance, and replacement incurred therefor—

(1) the benefits of the project to said purpose or purposes shall be taken into account in determining the economic benefits of the project;

(2) costs shall be allocated to said purpose or purposes and to other purposes in a manner which will insure that all project purposes share equitably in the advantages of multiple-purpose construction: *Provided*, That the costs allocated to recreation or fish and wildlife enhancement shall not exceed

the lesser of the benefits from those functions or the costs of providing recreation or fish and wildlife enhancement benefits of reasonably equivalent use and location by the least costly alternative means; and

(3) not more than one-half the separable costs and all the joint costs of the project allocated to recreation and fish and wildlife enhancement shall be borne by the United States and be nonreimbursable.

[Projects for 1965, exception.] Projects authorized during the calendar year 1965 may include recreation and fish and wildlife enhancement on the foregoing basis without the required indication of intent. Execution of an agreement as aforesaid shall be a prerequisite to commencement of construction of any project to which this subsection is applicable.

(b) **[Non-Federal share of costs.]** The non-Federal share of the separable costs of the project allocated to recreation and fish and wildlife enhancement shall be borne by non-Federal interests, under either or both of the following methods as may be determined appropriate by the head of the Federal agency having jurisdiction over the project: (1) payment, or provision of lands, interests therein, or facilities for the project; or (2) repayment, with interest at a rate comparable to that for other interest-bearing functions of Federal water resource projects, within fifty years of first use of project recreation or fish and wildlife enhancement facilities: *Provided*, That the source of repayment may be limited to entrance and user fees or charges collected at the project by non-Federal interests if the fee schedule and the portion of fees dedicated to repayment are established on a basis calculated to achieve repayment as aforesaid and are made subject to review and renegotiation at intervals of not more than five years.

SEC. 3. (a) [Non-reimbursable costs.] No facilities or project modifications which will furnish recreation or fish and wildlife enhancement benefits shall be provided in the absence of the indication of intent with respect thereto specified in subsection 2(a) of this Act unless (1) such facilities or modifications serve other project purposes and are justified thereby without regard to such incidental recreation or fish and wildlife enhancement benefits as they may have or (2) they are minimum facilities which are required for the public health and safety and are located at access points provided by roads existing at the time of project construction or constructed for the administration and management of the project. Calculation of the recreation and fish and wildlife enhancement benefits in any such case shall be based on the number of visitor-days anticipated in the absence of recreation and fish and wildlife enhancement facilities or modifications except as hereinbefore provided and on the value per visitor-day of the project without such facilities or modifications. Project costs allocated to recreation and fish and wildlife enhancement on this basis shall be nonreimbursable.

(b) **[Provisions for acquisition of lands.]** Notwithstanding the

absence of an indication of intent as specified in subsection 2(a), lands may be provided in connection with project construction to preserve the recreation and fish and wildlife enhancement potential of the project:

(1) If non-Federal public bodies execute an agreement within ten years after initial operation of the project (which agreement shall provide that the non-Federal public bodies will administer project land and water areas for recreation or fish and wildlife enhancement or both pursuant to the plan for the development of the project approved by the head of the agency having administrative jurisdiction over it and will bear not less than one-half the costs of lands, facilities, and project modifications provided for either or both of those purposes, as the case may be, and all costs of operation, maintenance, and replacement attributable thereto) the remainder of the costs of lands, facilities, and project modifications provided pursuant to this paragraph shall be nonreimbursable. Such agreement and subsequent development, however, shall not be the basis for any reallocation of joint costs of the project to recreation or fish and wildlife enhancement.

(2) If, within ten years after initial operation of the project, there is not an executed agreement as specified in paragraph (1) of this subsection, the head of the agency having jurisdiction over the project may utilize the lands for any lawful purpose within the jurisdiction of his agency, or may offer the land for sale to its immediate prior owner or his immediate heirs at its appraised fair market value as approved by the head of the agency at the time of offer or, if a firm agreement by said owner or his immediate heirs is not executed within ninety days of the date of the offer, may transfer custody of the lands to another Federal agency for use for any lawful purpose within the jurisdiction of that agency, or may lease the lands to a non-Federal public body, or may transfer the lands to the Administrator of General Services for disposition in accordance with the surplus property laws of the United States. In no case shall the lands be used or made available for use for any purpose in conflict with the purposes for which the project was constructed, and in every case except that of an offer to purchase made, as hereinbefore provided, by the prior owner or his heirs preference shall be given to uses which will preserve and promote the recreation and fish and wildlife enhancement potential of the project or, in the absence thereof, will not detract from that potential.

SEC. 4. [Lease of facilities and lands to non-Federal public bodies.] At projects, the construction of which has commenced or been completed as of the effective date of this Act, where non-Federal public bodies agree to administer project land and water areas for recreation and fish and wildlife enhancement purposes and to bear the costs of operation, maintenance, and replacement

of existing facilities serving those purposes, such facilities and appropriate project lands may be leased to non-Federal public bodies.

SEC. 5. [Postauthorization development by non-Federal public bodies.] Nothing herein shall be construed as preventing or discouraging postauthorization development of any project for recreation or fish and wildlife enhancement or both by non-Federal public bodies pursuant to agreement with the head of the Federal agency having jurisdiction over the project. Such development shall not be the basis for any allocation or reallocation of project costs to recreation or fish and wildlife enhancement.

SEC. 6. (a) [Outdoor recreation provisions.] The views of the Secretary of the Interior developed in accordance with section 3 of the Act of May 28, 1963 (77 Stat. 49), with respect to the outdoor recreation aspects shall be set forth in any report of any project or appropriate unit thereof within the purview of this Act. Such views shall include a report on the extent to which the proposed recreation and fish and wildlife development conforms to and is in accord with the State comprehensive plan developed pursuant to subsection 5(d) of the Land and Water Conservation Fund Act of 1965 (78 Stat. 897).

(b) [Wildlife project costs.] The first proviso of subsection 2(d) of the Act of August 12, 1958 (72 Stat. 563; 16 U.S.C. 662(d)), is amended to read as follows: "*Provided*, That such cost attributable to the development and improvement of wildlife shall not extend beyond that necessary for (1) land acquisition, (2) facilities as specifically recommended in water resource project reports, (3) modification of the project, and (4) modification of project operations, but shall not include the operation of wildlife facilities." The second proviso of subsection 2(d) of said act is hereby repealed.

(c) [Migratory waterfowl refuges, establishment.—Limitation.] Expenditures for lands or interests in lands hereafter acquired by project construction agencies for the establishment of migratory waterfowl refuges recommended by the Secretary of the Interior at Federal water resource projects, when such lands or interests in lands would not have been acquired but for the establishment of a migratory waterfowl refuge at the project, shall not exceed \$28,000,000: *Provided*, That the aforementioned expenditure limitation in this subsection shall not apply to the costs of mitigating damages to migratory waterfowl caused by such water resource project.

(d) [Nonapplicability provisions.] This Act shall not apply to the Tennessee Valley Authority, nor to projects constructed under authority of the Small Reclamation Projects Act, as amended, or under authority of the Watershed Protection and Flood Prevention Act, as amended.

(e) [Not applicable.] Sections 2, 3, 4, and 5 of this Act shall not apply to nonreservoir local flood control projects, beach erosion control projects, small boat harbor projects, hurricane protection projects, or to project areas or facilities authorized by law for in-

clusion within a national recreation area or appropriate for administration by a Federal agency as a part of the national forest system, as a part of the public lands classified for retention in Federal ownership, or in connection with an authorized Federal program for the conservation and development of fish and wildlife.

(f) [**“Nonreimbursable.”**] As used in this Act, the term “nonreimbursable” shall not be construed to prohibit the imposition of entrance, admission, and other recreation user fees or charges.

(g) Subsection 6(a)(2) of the Land and Water Conservation Fund Act of 1965 (78 Stat. 897) shall not apply to costs allocated to recreation and fish and wildlife enhancement which are borne by the United States as a nonreimbursable project cost pursuant to subsection 2(a) or subsection 3(b)(1) of this Act.

(h) [**Disposition of payments and repayments.**] All payments and repayment by non-Federal public bodies under the provisions of this Act shall be deposited in the Treasury as miscellaneous receipts, and revenue from the conveyance by deed, lease, or otherwise, of lands under subsection 3(b)(2) of this Act shall be deposited in the Land and Water Conservation Fund.

SEC. 7. (a) [**Reservoir projects.**] The Secretary is authorized, in conjunction with any reservoir heretofore constructed by him pursuant to the Federal reclamation laws or any reservoir which is otherwise under his control, except reservoirs within national wildlife refuges, to investigate, plan, construct, operate and maintain, or otherwise provide for public outdoor recreation and fish and wildlife enhancement facilities, to acquire or otherwise make available such adjacent lands or interests therein as are necessary for public outdoor recreation or fish and wildlife use, and to provide for public use and enjoyment of project lands, facilities, and water areas in a manner coordinated with the other project purposes: *Provided*, That not more than \$100,000 shall be available to carry out the provisions of this subsection at any one reservoir. Lands, facilities and project modifications for the purposes of this subsection may be provided only after an agreement in accordance with subsection 3(b) of this Act has been executed.

(b) [**Agreements with Federal agencies, etc.**] The Secretary of the Interior is authorized to enter into agreements with Federal agencies or State or local public bodies for the administration of project land and water areas and the operation, maintenance, and replacement of facilities and to transfer project lands or facilities to Federal agencies or State or local public bodies by lease agreement or exchange upon such terms and conditions as will best promote the development and operation of such lands or facilities in the public interest for recreation and fish and wildlife enhancement purposes.

(c) [**Transfer of lands.**] No lands under the jurisdiction of any other Federal agency may be included for or devoted to recreation or fish and wildlife purposes under the authority of this section without the consent of the head of such agency; and the head of any such agency is authorized to transfer any such lands to the

jurisdiction of the Secretary of the Interior for purposes of this section. The Secretary of the Interior is authorized to transfer jurisdiction over project lands within or adjacent to the exterior boundaries of national forests and facilities thereon to the Secretary of Agriculture for recreation and other national forest system purposes; and such transfer shall be made in each case in which the project reservoir area is located wholly within the exterior boundaries of a national forest unless the Secretaries of Agriculture and Interior jointly determine otherwise. Where any project lands are transferred hereunder to the jurisdiction of the Secretary of Agriculture, the lands involved shall become national forest lands: *Provided*, That the lands and waters within the flow lines of any reservoir or otherwise needed or used for the operation of the project for other purposes shall continue to be administered by the Secretary of the Interior to the extent he determines to be necessary for such operation. Nothing herein shall limit the authority of the Secretary of the Interior granted by existing provisions of law relating to recreation or fish and wildlife development in connection with water resource projects or to disposition of public lands for such purposes.

SEC. 8. [Authorization requirement for feasibility reports.] Effective on and after July 1, 1966, neither the Secretary of the Interior nor any bureau nor any person acting under his authority shall engage in the preparation of any feasibility report under reclamation law with respect to any water resource project unless the preparation of such feasibility report has been specifically authorized by law, any other provision of law to the contrary notwithstanding.

SEC. 9. [Project allocations.] Nothing contained in this Act shall be taken to authorize or to sanction the construction under the Federal reclamation laws or under any Rivers and Harbors or Flood Control Act of any project in which the sum of the allocations to recreation and fish and wildlife enhancement exceeds the sum of the allocations to irrigation, hydroelectric power, municipal, domestic and industrial water supply, navigation, and flood control, except that this section shall not apply to any such project for the enhancement of anadromous fisheries, shrimp, or for the conservation of migratory birds protected by treaty, when each of the other functions of such a project has, of itself, a favorable benefit-cost ratio.

SEC. 10. [Definitions.] As used in this Act:

(a) The term "project" shall mean a project or any appropriate unit thereof.

(b) The term "separable costs," as applied to any project purpose, means the difference between the capital cost of the entire multiple-purpose project and the capital cost of the project with the purpose omitted.

(c) The term "joint costs" means the difference between the capital cost of the entire multiple-purpose project and the sum of the separable costs for all project purposes.

(d) The term "feasibility report" shall mean any report of the scope required by the Congress when formally considering authorization of the project of which the report treats.

(e) The term "capital cost" includes interest during construction, wherever appropriate.

SEC. 11. **[Entrance and user fees.]** Section 2, subsection (a) of the Land and Water Conservation Fund Act of 1965 (78 Stat. 897) is hereby amended by striking out the words "notwithstanding any provision of law that such proceeds shall be credited to miscellaneous receipts of the Treasury:" and inserting in lieu thereof the words "notwithstanding any other provision of law:" and by striking out the words "or any provision of law that provides that any fees or charges collected at particular Federal areas shall be used for or credited to specific purposes or special funds as authorized by that provision of law" and inserting in lieu thereof "or affect any contract heretofore entered into by the United States that provides that such revenues collected at particular Federal areas shall be credited to specific purposes".

SEC. 12. **[Short title.]** This Act may be cited as the "Federal Water Project Recreation Act".

LOAN PROGRAMS

AMENDMENTS TO SMALL RECLAMATION PROJECTS ACT

An act to amend the Small Reclamation Projects Act of 1956. (Act of June 5, 1957, 71 Stat. 48, Public Law 85-47.)

* * * That the Small Reclamation Projects Act of 1956 (70 Stat. 1044) is amended as follows:

(a) Amend subsection (c) of section 4 to read:

“(c) [**Project proposals. Transmittal to Congress.**] At such time as a project is found by the Secretary and the Governor of the State in which it is located (or an appropriate State agency designated by him) to be financially feasible, is determined by the Secretary to constitute a reasonable risk under the provisions of this Act, and is approved by the Secretary, such findings and approval shall be transmitted to the Congress. The Secretary, at the time of submitting the project proposal to Congress or at the time of this determination that the requested project constitutes a reasonable risk under the provisions of this Act, may reserve from use or disposition inimical to the project any lands and interests in land owned by the United States which are within his administrative jurisdiction and subject to disposition by him and which are required for use by the project. Any such reservation shall expire at the end of two years unless the contract provided for in section 5 of this Act shall have been executed.”

(b) Add a new subsection (a) to section 4 (the present subsection (d) being relettered (e)) reading as follows:

“(d) [**Appropriation.**] No appropriation shall be made for financial participation in any such project prior to sixty calendar days (which sixty days, however, shall not include days on which either the House of Representatives or the Senate is not in session because of an adjournment of more than three calendar days to a day certain) from the date on which the Secretary's findings and approval are submitted to the Congress and then only if, within said sixty days, neither the House nor the Senate Interior and Insular Affairs Committee disapproves the project proposal by committee resolution. The provisions of this subsection (d) shall not be applicable to proposals made under section 6 of this Act.”

(c) Amend the introductory clause of section 5 to read:

“SEC. 5. Upon approval of any project proposal by the Secretary under the provisions of section 4 of this Act, he may negotiate a contract which shall set out, among other things—”.

An act to amend the Small Reclamation Projects Act of 1956. (Act of September 2, 1966, 80 Stat. 376, Public Law 89-553.)

SEC. 1. [**Small Reclamation Projects Act of 1956, amendments.**] That the Small Reclamation Projects Act of 1956 (70 Stat. 1044),

as amended (43 U.S.C. 422a et seq.) is hereby further amended as follows:

(1) [Project cost.] In section 2, by striking out the second sentence of subsection (d) and the first two provisos thereto and inserting in lieu thereof the following: "The term 'project' shall not include any such undertaking, unit, or program the cost of which exceeds \$10,000,000, and no loan, grant, or combination thereof for any project shall be in excess of \$6,500,000;" and by striking out "*And provided further,*" and inserting in lieu thereof "*Provided,*";

(2) [Contents of proposals.] In section 4, by adding at the end of subsection (a) the following: "The costs of means and measures to prevent loss of and damage to fish and wildlife resources shall be considered as project costs and allocated as may be appropriate among project functions.";

(3) In section 4, subsection (b), by striking out the word "construction" from the phrase which now reads "and willing to finance otherwise than by loan and grant under this Act such portion of the cost of construction" and inserting in lieu thereof "the project"; by inserting at the end of the parenthetical phrase which follows thereafter, "except as provided in subsection 5(b) (2) hereof,"; and by changing the colon (:) to a period (.) and striking out the remainder of said subsection;

(4) [Loans and grants. Limitations.] In section 5, by striking out the present text of items (a), (b), and (c) and inserting in lieu thereof the following:

"(a) the maximum amount of any loan to be made to the organization and the time and method of making the same available to the organization. Said loan shall not exceed the lesser of (1) \$6,500,000 or (2) the estimated total cost of the project minus the contribution of the local organization as provided in section 4(b) and the amount of the grant approved;

"(b) the maximum amount of any grant to be accorded the organization. Said grant shall not exceed the sum of the following: (1) the costs of investigations, surveys, and engineering and other services necessary to the preparation of proposals and plans for the project allocable to fish and wildlife enhancement or public recreation; (2) one-half the costs of acquiring lands or interests herein for a reservoir or other area to be operated for fish and wildlife enhancement or public recreation purposes; (3) one-half the costs of basic public outdoor recreation facilities or facilities serving fish and wildlife enhancement purposes exclusively; (4) one-half the costs of construction of joint use facilities properly allocable to fish and wildlife enhancement or public recreation; and (5) that portion of the estimated cost of constructing the project which, if it were constructed as a Federal reclamation project, would be properly allocable to functions, other than recreation and fish and wildlife enhancement, which are nonreimbursable under general provisions of law applicable to such projects;

"(c) [Repayment provisions.] a plan of repayment by the

organization of (1) the sums lent to it in not more than fifty years from the date when the principal benefits of the project first become available; (2) interest, as determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which the contract is executed, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations, which are neither due nor callable for redemption for fifteen years from date of issue, and by adjusting such average rate to the nearest one-eighth of 1 per centum, on that portion of the loan which is attributable to furnishing irrigation benefits in each particular year to land held in private ownership by any one owner in excess of one hundred and sixty irrigable acres; and (3) in the case of any project involving an allocation to domestic, industrial, or municipal water supply, or commercial power, interest on the unamortized balance of an appropriate portion of the loan at a rate as determined in (2) above;”;

(5) **[Fish and wildlife coordination.]** In section 8, by striking out “Act of August 14, 1946 (60 Stat. 1080)” and inserting in lieu thereof “Fish and Wildlife Coordination Act (48 Stat. 401), as amended (16 U.S.C. 661 et seq.)”;

(6) **[Appropriation authorization.]** In section 10, by striking out “\$100,000,000” and inserting in lieu thereof “\$200,000,000”.

SEC. 2. **[Not retroactive.]** Nothing contained in this Act shall be applicable to or affect in any way the terms on which any loan or grant has been made prior to the effective date of this Act.

EXTEND SMALL RECLAMATION PROJECTS ACT TO HAWAII

[Extract from] An act to amend certain laws of the United States in light of the admission of the State of Hawaii into the Union, and for other purposes. (Act of July 12, 1960, 74 Stat. 411, Public Law 86-624.)

SEC. 31. The Act of 1956 (70 Stat. 1044), as heretofore and hereafter amended, shall apply to the State of Hawaii.

UTILIZATION OF PUBLIC ROADS

FLOOD CONTROL ACT OF 1962

[Extract from] An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes. (Act of October 23, 1962, 76 Stat. 1173, 1180, 1196, Public Law 87-874.)

SEC. 208. [Utilization of public roads.] Section 207 of the Flood Control Act of 1960 (74 Stat. 501) is hereby amended to read as follows:

“SEC. 207. (a) When used in this section—

“(1) The term ‘Agency’ means the Corps of Engineers, United States Army or the Bureau of Reclamation, United States Department of the Interior, whichever has jurisdiction over the project concerned.

“(2) The term ‘head of the Agency concerned’ means the Chief of Engineers or the Commissioner, Bureau of Reclamation, or their respective designees.

“(3) The term ‘water resources projects to be constructed in the future’ includes all projects not yet actually under construction, and, to the extent of work remaining to be completed, includes projects presently under construction where road relocations or identifiable components thereof are not complete as of the date of this section.

“(4) The term ‘time of the taking’ is the date of the relocation agreement, the date of the filing of a condemnation proceeding, or a date agreed upon between the parties as the date of taking.

“(b) Whenever, in connection with the construction of any authorized flood control, navigation, irrigation, or multiple-purpose project for the development of water resources, the head of the Agency concerned determines it to be in the public interest to utilize existing public roads as a means of providing access to such projects during construction, such Agency may improve, reconstruct, and maintain such roads and may contract with the local authority having jurisdiction over the roads to accomplish the necessary work. The accomplishment of such work of improvement may be carried out with or without obtaining any interest in the land on which the road is located in accordance with mutual agreement between the parties: *Provided*, (1) That the head of the Agency concerned determines that such work would result in a saving in Federal cost as opposed to the cost of providing a new access road at Federal expense, (2) that, at the completion of construction, the head of the Agency concerned will, if necessary, restore the road to at least as good condition as prior to the begin-

ning of utilization for access during construction, and (3) that, at the completion of construction, the responsibility of the Agency for improvement, reconstruction, and maintenance shall cease.

“(c) [**Substitute roads.**] For water resources projects to be constructed in the future, when the taking by the Federal Government of an existing public road necessitates replacement, the substitute provided will, as nearly as practicable, serve in the same manner and reasonably as well as the existing road. The head of the Agency concerned is authorized to construct such substitute roads to design standards comparable to those of the State, or, where applicable State standards do not exist, those of the owning political division in which the road is located, for roads of the same classification as the road being replaced. The traffic existing at the time of the taking shall be used in the determination of the classification. In any case where a State or political subdivision thereof requests that such a substitute road be constructed to a higher standard than that provided in the preceding provisions of this subsection, and pays, prior to commencement of such construction, the additional costs involved due to such higher standard, such Agency head is authorized to construct such road to such higher standard. Federal costs under the provisions of this subsection shall be part of the nonreimbursable project costs.”

* * *

DELIVERY OF WATER TO MEXICO

ARIZONA

Congress authorized the program to alleviate the salinity problem associated with the delivery of water to Mexico by including initial funds in the Supplemental Appropriation Act, 1963, approved on May 17, 1963 (77 Stat. 28). Additional funds were appropriated by the Public Works Appropriation Acts of August 30, 1964 (78 Stat. 686) ; and of October 28, 1965 (79 Stat. 1101) ; and also Second Supplemental Appropriation Act of May 29, 1967 (81 Stat. 39).

SUPPLEMENTAL APPROPRIATION, 1963

[Extract from] Senate Report No. 155, 88th Congress, 1st Session.

The committee recommends that an additional amount of \$6 million for construction and rehabilitation be appropriated on a nonreimbursable basis. This amount is necessary to provide for emergency construction of facilities in the Wellton-Mohawk Irrigation and Drainage District, Arizona, so that the salinity problem associated with the delivery of Colorado River water to Mexico can be alleviated.

The treaty of 1944 between the United States and Mexico requires that not less than 1,500,000 acre-feet of water be permitted to flow in the Colorado River to Mexico each year. Irrigation with Colorado River water in the United States, and return of used irrigation water to the river, has resulted in an increase of salt solids to such an extent that Mexico has declared the water to be unusable for agricultural purposes. The United States does not agree that this is true, although, admittedly, return flow water is of a higher salt content than water from the headwaters of a stream.

However, in the interest of international comity, and as a gesture of "good neighborliness," the United States should try to be of assistance. Because friendly relations with Mexico will be served by this action, the cost of it should be borne by the entire country, as is the cost of the foreign aid program, and should not be chargeable to any one area of the country.

* * *

[Extract from] An act making supplemental appropriations for the fiscal year ending June 30, 1963, and for other purposes. (Act of May 17, 1963, 77 Stat. 28, Public Law 88-25.)

Construction and Rehabilitation: For an additional amount for "Construction and rehabilitation," \$6,000,000, to remain available until expended and to be nonreimbursable.

PUBLIC WORKS APPROPRIATION ACT, 1965

[Extract from] An act making appropriations for * * * certain agencies of the Department of the Interior, * * * for the fiscal year ending June 30, 1965, and for other purposes. (Act of August 30, 1964, 78 Stat. 686, Public Law 88-511.)

Construction and Rehabilitation: * * * That not to exceed \$2,000,000 as proposed in Senate Document 89, Eighty-eighth Congress, for maintaining suitable water quality in the Colorado River shall be nonreimbursable * * *.

PUBLIC WORKS APPROPRIATION ACT, 1966

[Extract from] An act making appropriations for * * * certain agencies of the Department of the Interior, * * * for the fiscal year ending June 30, 1966, and for other purposes. (Act of October 28, 1965, 79 Stat. 1101, Public Law 89-299.)

Construction and Rehabilitation: * * * That not to exceed \$2,200,000 shall be available for construction of additional facilities associated with delivery of Colorado River water to Mexico, and to be nonreimbursable * * *.

SECOND SUPPLEMENTAL APPROPRIATION ACT, 1967

[Extract from] An act making supplemental appropriations for the fiscal year ending June 30, 1967, and for other purposes. (Act of May 29, 1967, 81 Stat. 39, Public Law 90-21.)

Construction and Rehabilitation: For an additional amount for "Construction and rehabilitation", \$450,000, to remain available until expended and to be nonreimbursable.¹

¹ The funds provided for this item will be used to construct a bypass channel to rectify the salinity problem in the Lower Colorado River as a part of the delivery of water to Mexico program. [Extract from Senate Report No. 237, 90th Congress, 1st Session.]

PROJECT
FEASIBILITIES
AND
AUTHORIZATIONS

AMISTAD PROJECT

TEXAS

Amistad Project is a part of the Rio Grande International Storage Project of the International Boundary and Water Commission. The Act of June 18, 1954 (68 Stat. 255) authorizing the Secretary of the Interior to transmit and dispose of the electric power generated at Falcon Dam was amended by the Act of December 23, 1963 (77 Stat. 475) to include Amistad Project.

AUTHORIZING ACT

An act to amend the Act authorizing the transmission and disposition by the Secretary of the Interior of electric energy generated at Falcon Dam on the Rio Grande to authorize the Secretary of the Interior to also market power generated at Amistad Dam on the Rio Grande. (Act of December 23, 1963, 77 Stat. 475, Public Law 88-237.)

SEC. 1. [Falcon and Amistad Dams.] That section 1 of the Act of June 18, 1954 (68 Stat. 255), be amended as follows:

(a) In the first sentence of section 1 change the phrase "Falcon Dam, an international storage reservoir project" to read "Falcon Dam and Amistad Dam, international storage reservoir projects", and change the word "project", the second place it appears, to read "projects".

(b) In the second sentence of section 1 change the word "project" to read "projects".

(c) **[Power marketing.]** In the fourth sentence of section 1 of said Act, strike out the balance of the sentence beginning with the phrase "in order to make the power and energy generated at said project" and insert in lieu thereof the following: "for the integration of the Falcon and Amistad projects and in order to make the power and energy generated at said projects available in wholesale quantities for sale on fair and reasonable terms and conditions to facilities owned by the Federal Government, public bodies, cooperatives, and privately owned companies."

SEC. 2. The Act of June 18, 1954 (68 Stat. 255), is amended by adding a new section 4 to read as follows:

"SEC. 4. [Conditions.] The release of United States water from the Falcon and Amistad Dams for the production of hydroelectric energy shall be such as not to interfere with United States vested rights to the use of water for municipal, domestic, irrigation, and industrial purposes or with storage of water for these purposes."

ARBUCKLE PROJECT

OKLAHOMA

The Arbuckle project feasibility report was transmitted to the Congress by the Secretary of the Interior on September 20, 1961 (House Document No. 242, 87th Cong.). The project was authorized for construction by act of Congress on August 24, 1962 (76 Stat. 395).

U.S. DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., September 13, 1961.

The SECRETARY OF THE INTERIOR.

SIR: This is my report on the Arbuckle project in Oklahoma. It is based on and includes my proposed report of May 2, 1961, which you approved and adopted on June 5, 1961.

Copies of the proposed report were transmitted to the States of the Red River Basin and to the Secretary of the Army for review as required by the Flood Control Act of 1944. In accordance with the Fish and Wildlife Coordination Act, the report was also sent to the State of Oklahoma for comments of the head of the agency exercising administration over the wildlife resources of that State. In addition, copies were sent to the Federal agencies represented on the Interagency Committee on Water Resources. All of those recipients, except the State of Texas which would not be directly affected by the project, have submitted comments. Copies of comments received are attached¹ to and made a part of the report.

By letter of August 18, 1961, the Governor of Oklahoma wholeheartedly endorsed the proposal and pledged the State's cooperation and support in the development of the proposed project. He also urged that we forward the report to the Congress at the earliest possible date. In his previous letter of August 8, 1961, commenting on our proposed report, the Governor included the views of the several State agencies who are directly concerned with the development. A discussion of the comments of those agencies follows.

The Oklahoma Division of State Parks recommends that in developing the recreation aspects emphasis be placed on providing

¹ Excluded from this publication.

facilities for picnicking, camping, and boating because of heavy local demand for these activities. These recommendations are in accord with our policy of providing for utilization of recreation opportunities and will be considered during advance planning of the project.

The Oklahoma State Department of Highways has indicated it will be unable to fulfill the commitment of the previous administration to finance the relocation of State Highway No. 110 around the west side of the reservoir and approves the report with the understanding that the Bureau of Reclamation will bear the cost of the relocation. A major portion of the cost of the relocation, under established cost allocation procedures, would be allocated to the reimbursable functions of the project and would thus be repayable by the project water users. The project interests, in this case, would almost certainly desire a review of the need for the proposed State Highway No. 110 relocation because of the existence of alternative routes. This review and resolution of the problem can be accomplished prior to construction of the project after authorization has been achieved.

The Oklahoma State Department of Health's comments concerning sanitation and public health aspects of the proposed project have already been taken into consideration in planning the project. We intend to continue close cooperation with that agency and the Public Health Service in establishing and maintaining desirable health and sanitation controls during construction and operation of the project.

The Oklahoma Wildlife Conservation Commission agrees generally with the recommendations contained in our report with reference to fish and wildlife. The commission suggests that the Oklahoma Wildlife Conservation Commission, the Oklahoma Water Resources Board, and the project water users association could work out a schedule of releases to maintain fishing in the stream below the dam each year in accordance with their best judgment based upon actual conditions. This is in line with our plan that releases will be made when and to the extent that project water requirements permit. This problem will be further considered when additional detailed studies of fish and wildlife resources are conducted after the project is authorized, in accordance with the Fish and Wildlife Coordination Act as recommended in our report.

The Chief of Engineers, Department of the Army, finds that the proposed plan for the project does not conflict with existing or authorized projects or plans of the Corps of Engineers.

The Bureau of Public Roads, Department of Commerce, comments on the highway relocation problem which is discussed above and points out that the computation of negative benefits in the report does not include the additional transportation costs that will be made necessary by construction of the project. It recognizes, however, that inclusion of these costs would have only minor effect on the benefit-cost ratio. Our review of the possible negative benefits indicates that due to the particular circum-

stances that prevail in the case of the Arbuckle Reservoir there would be only a nominal adverse effect upon traffic, depending to a certain extent on the ultimate decision concerning State Highway No. 110, as discussed above.

Other review comments received were either favorable or offered no objection to the proposed development. Revision of our proposed report does not appear to be necessary as a result of the reviews.

In respect to connections of Federal water distribution systems to private industries such as the Kerr-McGee oil refinery, it is our intent to require the company to provide for the necessary spur pipeline, exclusive of turnout facilities, either by its own construction or by advance of funds if the Federal Government constructs the facility.

The National Park Service is currently reconsidering its proposal for recreational facilities in the light of the President's instructions to you that steps be taken to insure that land acquired for the construction of federally financed reservoirs is sufficient to permit future development for recreational purposes. Submission of this report to the Congress should not, however, be delayed until the studies of the measures necessary to implement those instructions have been completed. As indicated above, this will be considered during advance planning of the project.

I recommend that you approve and adopt this report as your report on a plan of development for the Arbuckle project, Oklahoma, and that you transmit it to the President and subsequently to the Congress, as provided in the Reclamation Project Act of 1939.

Respectfully,

FLOYD E. DOMINY,
Commissioner.

Approved and adopted September 14, 1961:

STEWART L. UDALL,
Secretary of the Interior.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., September 14, 1961.

The PRESIDENT,
The White House,
Washington, D.C.

(Through the Bureau of the Budget).

DEAR MR. PRESIDENT: My report on a plan of development for the Arbuckle project, Oklahoma, is transmitted herewith pursuant to the Reclamation Project Act of 1939 (53 Stat. 1187).

Development of this multipurpose project would provide municipal and industrial water supplies needed for continued growth and economic expansion of the cities of Sulphur, Davis, Wynnewood, and Ardmore (including the Ardmore Airfield Industrial

Park), and to a large oil refinery and would provide flood control benefits to lands and properties now subject to flooding. It would also provide for conservation and development of fish and wildlife resources as well as provide recreational opportunities.

Project works would consist of Arbuckle Dam and Reservoir on Rock Creek tributary to the Washita River, just upstream from the city of Dougherty, and an aqueduct system consisting of pumping plants and pipelines for distribution of municipal and industrial water to project cities. In addition, minimum basic recreation facilities as well as improved fishing opportunities would be provided. Also, lands for wildlife habitat would be obtained and developed.

The project is economically justified as demonstrated by the benefit-cost ratio of both direct and total benefits of 1.93 to 1. For a 50-year period of analysis, this ratio would be 1.59 to 1. Direct benefits and total benefits are considered to be equal in the analysis.

Prior to construction of the project, a water users' organization authorized under Oklahoma law would be required to execute a repayment contract to repay the reimbursable costs allocated to municipal and industrial water supply. The Oklahoma State Legislature, during its last session, amended legislation permitting the organization of a master conservancy district that would embrace project cities. The water users have demonstrated intensive interest in the project.

The proposed report was transmitted to the States of the Red River Basin and to interested agencies for review as required by law and interagency agreement. Copies of the review comments received are attached to the report.

I recommend that the plan of development for the Arbuckle project, Oklahoma, be authorized as set forth in my report. I shall appreciate having advice concerning the relationship of this proposed multipurpose development to your program before I transmit the report to the Congress for its consideration and appropriate action as provided by the Reclamation Project Act of 1939.

Sincerely yours,

STEWART L. UDALL,
Secretary of the Interior.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., September 19, 1961.

Hon. STEWART L. UDALL,
Secretary of the Interior,
Washington, D.C.

DEAR MR. SECRETARY: This will acknowledge receipt of your report on the proposed Arbuckle project, Oklahoma, transmitted by your letter of September 14, 1961. You request advice as to the

relationship of the report to the program of the President.

The Arbuckle project would consist of a dam and reservoir on Rock Creek and an aqueduct system to convey municipal and industrial water to four cities and an oil refinery. The project would also provide flood control, fish and wildlife, and recreation benefits.

The total Federal construction costs are estimated at about \$13,340,000, based on July 1959 prices. The costs are allocated among the following purposes as follows: municipal water supply, \$10,599,000; flood control, \$362,000; fish and wildlife, \$1,929,000; and recreation \$450,000. The costs allocated to municipal water supply will be repaid with interest within 50 years. The benefit-cost ratio for the project, on the basis of a 50-year period of analysis and direct benefits only, is estimated at 1.59.

We note that about 18 percent of the estimated annual flood control benefits of the Arbuckle project are based on an assumption that the existing Denison Dam of the Corps of Engineers is nonexistent—an assumption stemming from a provision in the 1938 law authorizing the Denison project which reserved benefits from that project for certain other projects in Oklahoma. It is considered that a decision on whether flood control storage should be included in the Arbuckle project should be made on the basis of real benefits only. It may be judged appropriate to use additional benefits from Denison Dam for cost allocation purposes consistent with the authorization of Denison Dam. We also note that a letter dated July 15, 1960, furnishing the field comments of the southwestern division of the Corps of Engineers on the Arbuckle project, indicates that the merits of including flood control in the Arbuckle project is a borderline case, and that flood control would not be justified under the criteria used by the Corps of Engineers. The letter indicates that the benefit-cost ratios for flood control, using 50- and 100-year periods of analysis, would be 0.94 and 1.21, respectively. Under these circumstances, it is considered that, prior to a request for funds to initiate construction on the Arbuckle project, the flood control features of the project should be restudied using the evaluation standards for water resources projects to be established by the administration to determine whether the inclusion of flood control storage in the project is economically justified.

Under the standards used in evaluating the fish and wildlife features of the project, fish and wildlife benefits are estimated to exceed the costs of specific fish and wildlife facilities, and the costs allocated to fish and wildlife exceed the specific fish and wildlife costs. We would expect that, prior to a request for construction appropriations, the costs of the Arbuckle project would be reallocated in accordance with the evaluation standards for water resources projects to be established under this administration.

Subject to your consideration of the views expressed above, the Bureau of the Budget would have no objection to the submission of your proposed report to the Congress. No commitment can be

made, however, as to when any estimate of appropriation would be submitted for construction of the Arbuckle project, if authorized by the Congress, since this would be governed by the President's budgetary objectives as determined by the then prevailing fiscal situation.

Sincerely yours,

ELMER B. STAATS,
Acting Director.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., September 20, 1961.

Hon. SAM RAYBURN,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: As provided by section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187), transmitted herewith is my report on the Arbuckle project, Oklahoma.

This proposed project is a multipurpose water resource development on Rock Creek, tributary to the Washita River, in the Red River Basin, Okla. The plan of development provides for construction of Arbuckle Dam and Reservoir on Rock Creek, a short distance upstream from the city of Dougherty, and an aqueduct system to distribute municipal and industrial water to four cities and a large oil refinery. The proposed project would also provide substantial flood control, fish and wildlife, and recreation benefits. It has engineering feasibility and economic justification.

My proposed report on this project was reviewed by the State of Oklahoma and other States of the Red River Basin, the Secretary of the Army, and other interested Federal agencies as required by law and interagency agreement. Copies of the comments received as a result of that review are attached to the report.

The report and copies of the comments received were submitted to the President on September 14, 1961. By letter dated September 19, 1961, copy enclosed, Acting Director Elmer B. Staats, of the Bureau of the Budget, advises that, subject to consideration of the Bureau's views, there would be no objection to submission of the report to the Congress.

I recommend that construction of the Arbuckle project be authorized as set forth in my report.

Sincerely yours,

KENNETH HOLUM,
Assistant Secretary of the Interior.

AUTHORIZING ACT

An act to authorize the Secretary of the Interior to construct, operate, and maintain the Arbuckle reclamation project, Oklahoma, and for other purposes. (Act of August 24, 1962, 76 Stat. 395, Public Law 87-594.)

SEC. 1. [Construction authorization.] That the Secretary of the Interior is authorized to construct, operate, and maintain the Arbuckle Federal reclamation project, Oklahoma, in accordance with the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto), for the principal purposes of storing, regulating, and furnishing water for municipal, domestic, and industrial use, and for controlling floods and for the conservation and development of fish and wildlife, and the enhancement of recreational opportunities. The project shall consist of the following principal works: A reservoir on Rock Creek near Sulphur, Oklahoma, pumping plants, pipelines, and other conduits for furnishing water for municipal, domestic, and industrial use, and minimum basic recreational facilities.

SEC. 2. [Allocation of costs.] In constructing, operating, and maintaining the Arbuckle project, the Secretary shall allocate the costs thereof among different functions resulting from multiple-purpose development under the following conditions:

(a) Allocations to flood control, recreation, and the conservation and development of fish and wildlife shall be nonreimbursable and nonreturnable under the reclamation laws;

(b) Allocations to municipal water supply, including domestic, manufacturing, and industrial uses, shall be repayable to the United States by the water users through contracts with municipal corporations, or other organizations as defined by section 2, Reclamation Project Act of 1939 (53 Stat. 1187) under the provisions of the Federal reclamation laws, and to the extent appropriate, under the Water Supply Act of 1958 (72 Stat. 319), as amended. Such contracts shall be precedent to the commencement of construction of any project unit affecting the individual municipality or industrial users, and shall provide for repayment of construction costs allocated to municipal water supply in not to exceed fifty years from the date water is first delivered for that purpose: *Provided*, That the water users' organization be responsible for the disposal and sale of all water surplus to its requirements, and that the revenues therefrom shall be used by the organization for the retirement of project debt payment, payment of interest, and payment of operation and maintenance cost. The interest rate used for purposes of computing interest during construction and interest on the unpaid balance shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which construction is initiated, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations, which are neither due nor callable for redemption for fifteen years from date of issue;

(c) Upon the completion of the payment of the water users'

construction cost obligation, together with the interest thereon, the water users, their designee or designees, shall (1) have a permanent right to the use of that portion of the project allocable to municipal water supply purposes, so long as the space designated for those purposes may be physically available, taking into account such equitable reallocation of reservoir storage capacities among the purposes served by the project as may be necessary due to sedimentation, subject, if the project is then operated by the United States, to payment of a reasonable annual charge to the Secretary of the Interior sufficient to pay all operation and maintenance charges and a fair share of the administrative costs applicable to the project; (2) be conveyed title to such portions of the pipelines and related facilities as are used solely for delivering project water to the water users.

SEC. 3. [Water user contracts.] Contracts may be entered into with the water users' organization pursuant to the provisions of this Act without regard to the last sentence of subsection (c) of section 9 of the Reclamation Project Act of 1939.

SEC. 4. [Transfer of operation.] The Secretary is authorized to transfer to a water users' organization the care, operation, and maintenance of the works herein authorized and, if such transfer is made, may deduct from the obligation of the water users the reasonable capitalized equivalent of that portion of the estimated operation and maintenance cost of the undertaking which, if the United States continues to operate the project, would be allocated to flood control and fish and wildlife purposes. Prior to taking over the care, operation, and maintenance of said works, the water users' organization shall obligate itself to operate them in accordance with criteria specified by the Secretary of the Army with respect to flood control and the Secretary of the Interior with respect to fish and wildlife and recreation.

SEC. 5. [Stages of construction.] Construction of the Arbuckle project herein authorized may be undertaken in such units or stages as in the opinion of the Secretary best serve the project requirements and the relative needs for water. Repayment contracts negotiated in connection with each unit or stage of construction shall be subject to the terms and conditions of section 2 of this Act.

SEC. 6. [Recreational facilities.] The Secretary may (1) contract for the construction of any part of the minimum basic recreational facilities with any qualified agency of the State of Oklahoma or a political subdivision thereof, and (2) upon conclusion of a suitable agreement with any such agency or political subdivision for assumption of the administration, operation, and maintenance thereof at the earliest practicable date, construct or permit the construction of public park and recreational facilities on lands owned by the United States adjacent to the reservoir of the Arbuckle project, when such use is determined by the Secretary not to be contrary to the public interest, all under such rules and regulations as the Secretary may prescribe. No recreational use of any area to which this section applies shall be permitted which

is inconsistent with the laws of the State of Oklahoma for the protection of fish and game and the protection of the public health, safety, and welfare. The Federal costs of constructing the facilities authorized by this section shall be limited to the non-reimbursable costs of the Arbuckle project for minimum basic recreational facilities as determined by the Secretary.

SEC. 7. **[Fish and wildlife.]** The Secretary may make such reasonable provision in connection with the works of the Arbuckle Federal reclamation project, in accordance with section 2 of the Fish and Wildlife Coordination Act (48 Stat. 401, as amended, 16 U.S.C. 661, and the following), as he finds to be required for the conservation and development of fish and wildlife.

SEC. 8. **[Soil survey requirements.]** Expenditures for Arbuckle Reservoir, and the water supply aqueduct system, may be made without regard to the soil survey and land classification requirements of the Interior Department Appropriation Act, 1954 (43 U.S.C. 390a).

SEC. 9. **[Appropriation authorized.]** There is authorized to be appropriated for construction of the Arbuckle reclamation project the sum of \$13,340,000 (March 1962 prices), plus or minus such amounts as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indices applicable to the type of construction involved herein. There are also authorized to be appropriated such additional sums as may be required for the operation and maintenance of the project.

ARNOLD PROJECT

OREGON

The Arnold project was originally included in the Deschutes project. Funds for the emergency rehabilitation of the works of the Arnold Irrigation District were provided in the Interior Department Appropriation Act, 1948 (Act of July 25, 1947, 61 Stat. 460). Funds were provided without a finding of feasibility.

Additional funds were provided by the Third Supplemental Appropriation Act, 1948 (Act of December 23, 1947, 61 Stat. 941) and the Interior Department Appropriation Act, 1950 (Act of October 12, 1949, 63 Stat. 765) and the Public Works Appropriation Act, 1958 (Act of August 26, 1957, 71 Stat. 419).

ADDITIONAL FUNDS

[Extract from] An act making appropriations for * * * certain agencies of the Department of the Interior, for the fiscal year ending June 30, 1958, and for other purposes. (Act of August 26, 1957, 71 Stat. 416, 419, Public Law 85-167.)

Construction and Rehabilitation: * * * That not to exceed \$69,000 shall be available toward emergency rehabilitation of the works of the Arnold Irrigation District as under the Act of October 7, 1949 (63 Stat. 724), as amended, to be repaid in full under conditions satisfactory to the Secretary of the Interior: * * *

AVONDALE PROJECT

IDAHO

Documentation for the Avondale, Dalton Gardens, and Hayden Lake Pipe Rehabilitation is shown under Rathdrum Prairie Project.

BAKER PROJECT

OREGON

UPPER DIVISION

The feasibility report for the Upper Division of the Baker project was transmitted by the Secretary of the Interior to the Congress on November 30, 1961 (H. Doc. 302, 87th Cong.). The division was authorized for construction by act of Congress on September 27, 1962 (76 Stat. 634).

U.S. DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., July 18, 1961.

The SECRETARY OF THE INTERIOR.

SIR: This is my report on the Upper Division, Baker project, Oregon. It is based upon and includes my proposed report of February 14, 1961, which you approved and adopted as your proposed report on February 28, 1961.

The report was sent to the States of the Columbia River Basin and to the Secretary of the Army and other interested Federal agencies on March 7, 1961, for review in accordance with the requirements of the Flood Control Act of 1944, the Fish and Wildlife Coordination Act, and interagency agreement. Comments have now been received from all recipients of the proposed report except the State of Wyoming, which is not directly affected by the proposed development. Copies of all letters of comment are attached¹ to and made a part of this report.

The Governor of Oregon concurred in the comments of the State Water Resources Board and expressed hope for early and favorable action by the Congress and recommended authorization and appropriation for construction at an early date.

The Secretary of the Oregon State Water Board and the Director of the Washington State Department of Conservation both recommended that the source of funds for financial assistance to irrigation for the Upper Division, Baker project, be from revenues of a specific Federal powerplant rather than from power revenues derived through the Bonneville Power Administration. Although there is precedent for using revenues of a specific powerplant for this purpose, and although to maintain consistency among such projects, divisions, or extensions thereof, we may recommend such a procedure for certain future developments, in

¹ Excluded from this publication.

general we believe the procedure outlined in our proposed report is preferable. It is consistent with the procedures in use in the Missouri River Basin project, the Colorado River storage project, and the Central Valley project, and will simplify accounting and financial analyses. This procedure eliminates the need for an arbitrary selection of a specific power unit to carry the financial burden when there is no logical basis for such a selection.

The Acting Chief of Engineers, Department of the Army, advises that there is no apparent conflict between our proposed plan for the Upper Division and existing projects and plans of the Corps of Engineers in the area. No objection is taken by that Department to the proposal to utilize Bonneville Power Administration system revenues if the cost allocated to power at Corps of Engineers projects is repaid with interest within a 50-year period. Since the plan of development contemplates such repayment schedules, this criterion is consistent with our proposal. It was also suggested that the operation of the reservoir storage space allocated for flood control be in accordance with regulations prescribed by the Secretary of the Army. Although it was not specifically provided for in our proposed report, operation of Mason Reservoir for flood control would be in accordance with such regulations.

The Department of Agriculture expressed some concern over relocation of certain facilities in the Mason Reservoir site and over recreation impacts on national forest lands. These matters will be worked out with the Forest Service and interested State officials in the course of advance planning activities prior to construction of the dam and reservoir.

Other comments of a technical nature were made by the Public Health Service, the Department of Commerce, and the States of Washington and Nevada. As all of the comments received were either favorable to the proposed development or offered no objection, there appears to be no need to revise our proposed report except in regard to the plan for recreation development as discussed in the following paragraphs.

Since the preparation of the report of the regional director of the National Park Service, dated August 1958, the Service has reconsidered the recreation requirements in the project area in recognition of the Nation's increasing recreation needs and the special opportunities for recreation development inherent in the development of the Mason Dam and Reservoir. The report recommended construction of minimum day use facilities at the reservoir, using only those lands to be acquired for other project needs at an estimated cost of \$125,000.

The National Park Service now recommends additional facilities to accommodate overnight use by the public at an additional cost of \$45,000, and the acquisition of 358 acres of land specifically for recreation purposes at an estimated cost of \$54,000. The total estimated cost of the recreation facilities and land acquisition now proposed is \$224,000. These facilities, in conjunction with use of the national forest lands, will make it possible to real-

ize the maximum recreation benefits of Mason Reservoir for use of future generations. The report of the National Park Service is hereby revised to include the additional recreation facilities and lands.

This increase in the recreation costs of Mason Reservoir would increase the total estimated cost of the Upper Division from \$6,168,000 to \$6,267,000. The \$224,000 of specific recreation costs are considered nonreimbursable. Since benefits commensurate with these costs will be realized, this change will involve no significant change in the benefit-cost ratios for the project.

I recommend that you approve and adopt this as your report on the Upper Division, Baker project, Oregon, and that you transmit it to the President, through the Bureau of the Budget, for advice as to its relationship to his program, and subsequently to the Congress in accordance with the Reclamation Act of 1939.

Respectfully,

FLOYD E. DOMINY,
Commissioner.

Approved and adopted July 26, 1961.

STEWART L. UDALL,
Secretary of the Interior.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., November 9, 1961.

The PRESIDENT,
The White House,
Washington, D.C.

(Through the Bureau of the Budget).

DEAR MR. PRESIDENT: My report on the Upper Division, Baker project, Oregon, is transmitted herewith pursuant to section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187).

The Upper Division, Baker project, would consist primarily of the proposed Mason Dam, forming a 100,000 acre-foot reservoir on Powder River near the town of Baker in eastern Oregon. It would provide a supplemental water supply to 13,990 acres of land and a full water supply to 4,010 irrigable acres. About 4,080 acres would be served through the Lilley pumping plant and a relief plant. Flood control, fish and wildlife, and recreation are other functions which the proposed facilities would benefit. The estimated cost of the Upper Division is \$6,168,000, based on October 1958 prices which are essentially the same as current prices.

The report and its accompanying documents find that the proposed development has engineering feasibility and is economically justified. The local interests have expressed their desire for the development and have formed the Baker Valley Irrigation District as a contracting entity.

The proposed report was transmitted to the States of the Col-

umbia River Basin and to the interested Federal agencies for review on March 7, 1961, as required by law and interagency agreement. Copies of all the comments received are enclosed with the report.

The economic justification of the Upper Division, Baker project, has recently been reanalyzed, particularly with respect to evaluation of direct irrigation benefits. The new analysis reflects the more intensive land use and increased crop yields attainable under modern farm practices. This analysis results in a benefit-cost ratio, using direct benefits only and a 50-year period of analysis, of 1.20 to 1.

The report of July 26, 1961, proposes the acquisition and development of additional lands and improved facilities adjacent to the reservoir for recreation purposes. This is consistent with your instructions "to take steps to insure that land acquired for the construction of federally financed reservoirs is sufficient to permit future development for recreation purposes." However, I suggest that authorization for the purchase of these additional lands and development of the improved facilities be delayed pending further study of the measures necessary to implement those instructions.

I recommend that the Upper Division, Baker project, Oregon, be authorized for construction as presented in our report of July 26, 1961, with the exceptions noted above. I shall appreciate having advice concerning the relationship of this proposed development to your program before I transmit the report to the Congress for its consideration and appropriate action as provided in the Reclamation Project Act of 1939.

Sincerely yours,

JAMES K. CARR,
Under Secretary of the Interior.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., November 22, 1961.

Hon. STEWART L. UDALL,
Secretary of the Interior,
Washington, D.C.

DEAR MR. SECRETARY: This will acknowledge Under Secretary Carr's letter of November 9, 1961, transmitting copies of your report on the Upper Division of the Baker project in Oregon. You request advice as to the relationship of your report to the program of the President.

The Upper Division of the Baker project would consist primarily of the proposed Mason Dam, forming a 100,000 acre-foot reservoir on the Powder River near the town of Baker in eastern Oregon. The project would provide a supplemental water supply to about 13,900 acres of land and a full water supply to about 4,010 irrigable acres, and would also provide flood control, fish and wildlife, and recreation benefits. The total construction cost is es-

timated at \$6,168,000, of which \$4,354,600 would be allocated to irrigation, \$1,056,400 to flood control, \$632,000 to fish and wildlife, and \$125,000 to recreation. About 26 percent of the costs allocated to irrigation, estimated at \$1,127,500, would be repaid by the irrigation water users. The balance of the irrigation costs are to be repaid from surplus power revenues derived from the Bonneville Power Administration.

The benefit-cost ratio for the project, using a 50-year evaluation period and direct benefits only, was estimated at 0.79 in the original report. However, direct irrigation benefits have been reevaluated, using current crop yield and intensity of land-use data, which results in a favorable benefit-cost ratio of 1.2. We suggest that the reliability of this reevaluation should be verified by a more complete analysis during planning and prior to the initiation of construction of the project.

The report of July 26, 1961, proposes the acquisition of lands and additional facilities for recreational purposes. We concur with your recommendation to delay authorization of these features pending the clarification of policies for recreational development at reservoir sites.

We note that \$632,000 of joint costs have been allocated for fish and wildlife purposes and that no specific costs are required. We would expect that prior to the initiation of construction this cost allocation will be reviewed in terms of new evaluation standards for water resource projects now under development and a reallocation made in accordance therewith.

Subject to your consideration of the above views, the Bureau of the Budget would have no objection to the submission of your proposed report to the Congress. No commitment can be made, however, as to when any estimate of appropriation would be submitted for construction of the proposed project, if authorized by Congress, since this would be governed by the President's budgetary objectives as determined by the then prevailing fiscal situation.

Sincerely yours,

ELMER B. STAATS,
Deputy Director.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., November 30, 1961.

Hon. SAM RAYBURN,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: My report on the Upper Division, Baker project, Oregon, is transmitted herewith as provided by section 9 (a) of the Reclamation Project Act of 1939 (53 Stat. 1187).

The report presents a plan of development for a proposed irrigation project located near the town of Baker in eastern Oregon.

The project also would provide benefits through flood control, fish and wildlife conservation and recreation. The plan of development is engineeringly feasible and economically justified.

The proposed report on this project was transmitted to the affected States and interested Federal agencies for review as required by law and interagency agreement. Comments have been received from all to which the report was sent except the State of Wyoming, which is not directly affected by the proposed development. Copies of the replies received are attached to the report.

The report and copies of the comments received were submitted to the President on November 9, 1961. Enclosed is a copy of letter dated November 22, 1961, from the Deputy Director of the Bureau of the Budget indicating that there would be no objection to the submission of the report to the Congress.

I recommend that construction of the Upper Division, Baker project, Oregon, be authorized as set forth in my report.

Sincerely yours,

STEWART L. UDALL,
Secretary of the Interior.

AUTHORIZING ACT

An act to authorize the Secretary of the Interior to construct, operate, and maintain the Upper Division of the Baker Federal reclamation project, Oregon, and for other purposes. (Act of September 27, 1962, 76 Stat. 634, Public Law 87-706.)

SEC. 1. [Construction authorization.] That for the purposes of providing irrigation water, controlling floods, conserving and developing fish and wildlife, and providing recreational benefits, the Secretary of the Interior, acting pursuant to the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto), is authorized to construct, operate, and maintain the facilities of the upper division of the Baker Federal reclamation project, Oregon. The principal works of the project shall consist of a dam and reservoir, pumping plants, and related facilities.

SEC. 2. [Repayment period, extension.] (a) The period provided in subsection (d), section 9, of the Reclamation Project Act of 1939, as amended (43 U.S.C. 485h), for repayment of the construction cost properly chargeable to any block of lands and assigned to be repaid by irrigators, may be extended to fifty years, exclusive of any development period, from the time water is first delivered to that block or to as near that number of years as is consistent with the adoption and operation of a variable repayment plan as is provided therein. Costs allocated to irrigation in excess of the amount determined by the Secretary to be within the ability of the irrigators to repay, within the repayment period or periods herein specified, shall be returned to the reclamation fund within such period or periods from revenues derived by the

Secretary of the Interior from the disposition of power from the McNary project power facilities.

(b) Any lands in the upper division of the Baker project, Oregon, which are held in private ownership by a person whose holdings exceed the equivalent of one hundred and twenty acres of class 1 land shall, to the extent they exceed that acreage, be deemed excess lands. No water shall be furnished to such excess lands from, through, or by means of project works unless (1) the owner's total holdings do not exceed one hundred and sixty irrigable acres or (2) said owner shall have executed a valid recordable contract with respect to the excess in like manner as provided in the third sentence of section 46 of the Act of May 25, 1926 (44 Stat. 636, 649, 43 U.S.C. 423e). In computing "the equivalent of one hundred and twenty acres of class 1 land" under the first sentence of this section, each acre of class 2 land shall be counted as seventy-five-hundredths of an acre, each acre of class 3 land shall be counted as fifty-five one-hundredths of an acre, and each acre of class 4 land shall be counted as thirty-eight one-hundredths of an acre.

SEC. 3. [Public recreation facilities.] (a) The Secretary of the Interior is authorized, in connection with the upper division of the Baker project, to construct minimum basic public recreation facilities and to arrange for the operation and maintenance of the same by an appropriate State or local agency or organization. The cost of constructing such facilities shall be nonreimbursable and nonreturnable under the reclamation laws.

(b) **[Fish and wildlife conservation.]** The Secretary may make such reasonable provision in the works authorized by this Act as he finds to be required for the conservation and development of fish and wildlife in accordance with the provisions of the Fish and Wildlife Coordination Act (48 Stat. 401, as amended; 16 U.S.C. 661-666c, inclusive), and the portion of the construction costs allocated to these purposes and to flood control, together with an appropriate share of the operation, maintenance and replacement costs therefor, shall be nonreimbursable and nonreturnable. Before the works are transferred to an irrigation water user's organization for care, operation, and maintenance, the organization shall have agreed to operate them in a manner satisfactory to the Secretary of the Interior with respect to achieving the fish and wildlife benefits, and to return the works to the United States for care, operation, and maintenance in the event of failure to comply with the requirements to achieve such benefits.

(c) **[Flood control.]** The works authorized in this Act shall be operated for flood control in accordance with regulations prescribed by the Secretary of the Army pursuant to section 7 of the Flood Control Act approved September 22, 1944 (58 Stat. 887).

SEC. 4. [Appropriation authorized.] There is hereby authorized to be appropriated for construction of the Baker Federal reclamation project the sum of \$6,168,000 (February 1962 prices), plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engi-

neering cost indexes applicable to the types of construction involved herein. There are also authorized to be appropriated such additional sums as may be required for operation and maintenance of the project.

BOISE PROJECT

IDAHO-OREGON

POWER DEVELOPMENT RESTRICTIONS ¹

[Extract from] An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1925, and for other purposes. (Act of June 5, 1924, 43 Stat. 390, 416, Public Law 68-199.)

For operation and maintenance, continuation of construction, and incidental operations: *Provided*, That the expenditure for drainage shall not exceed the amount paid by the water users pursuant to the provisions of the Boise public notice dated February 15, 1921, except for drainage in irrigation districts formed under State laws and upon the execution of agreements for the repayment to the United States of the costs thereof, \$1,080,000: *Provided further*, That no part of the money appropriated under this paragraph shall be expended for the development of electric power until the Secretary of the Interior shall have secured, subject to the needs of the Boise project, a contract with the Gem Irrigation District, providing for the purchase by that district, for a period to be determined by the Secretary of the Interior, of the electric power necessary for the irrigation of the lands of said district: *And provided further*, That the rates in such contract shall be sufficient to include interest at five per centum per annum on the cost of such power development plus a reasonable depreciation on the power plant, as found by the Secretary of the Interior, and that the contract shall provide that before delivery of power in any season the district shall furnish security satisfactory to the Secretary of the Interior to insure payment to the Government of the power charges for such season, and that such contract shall be entered into only in the event that the holders of not less than ninety per centum of the face value of the bonded and warrant indebtedness of the district shall subordinate their claims to the obligations of the district to the Government under such contract: *And provided further*, That in the event power is furnished from the said power plant to more than one contractor, then the rates for power shall be fixed so that each such contractor, including said district, shall pay only its proper proportionate share of said interest and depreciation, as found by the Secretary of the Interior;

* * *

¹ This document omitted from 1957 edition.

BOULDER CANYON PROJECT

ARIZONA-CALIFORNIA-NEVADA

BOULDER CANYON PROJECT ADJUSTMENT ACT ¹

[Extracts from] An act authorizing the Secretary of the Interior to promulgate and to put into effect charges for electrical energy generated at Boulder Dam, providing for the application of revenues from said project, authorizing the operation of the Boulder Power Plant by the United States directly or through agents, and for other purposes. (Act of July 19, 1940, ch. 643, 54 Stat. 774, 777, Public Law 76-756.)

SEC. 1. [Secretary to promulgate charges for energy generated.] That the Secretary of the Interior is hereby authorized and directed to, and he shall, promulgate charges, or the basis of computation thereof, for electrical energy generated at Boulder Dam during the period beginning June 1, 1937, and ending May 31, 1987, computed to be sufficient together with other net revenues from the project, to accomplish the following purposes:

(a) To meet the cost of operation and maintenance, and to provide for replacements, of the project during the period beginning June 1, 1937, and ending May 31, 1987;

(b) To repay to the Treasury, with interest, the advances to the Colorado River Dam Fund for the project made prior to June 1, 1937, within fifty years from that date (excluding advances allocated to flood control by section 2(b) of the Project Act, which shall be repayable as provided in section 7 hereof), and such portion of such advances made on and after June 1, 1937, as (on the basis of repayment thereof within such fifty-year period or periods as the Secretary may determine) will be repayable prior to June 1, 1987;

(c) To provide \$600,000 for each of the years and for the purposes specified in section 2(c) hereof; and

(d) To provide \$500,000 for each of the years and for the purposes specified in section 2(d) hereof.

Such charge may be made subject to revisions and adjustments at such times, to such extent, and in such manner, as by the terms of their promulgation the Secretary shall prescribe.

SEC. 2. [Receipts to be paid into Colorado River Dam Fund.] All receipts from the project shall be paid into the Colorado River Dam Fund and shall be available for:

(a) **[Operation and maintenance and replacements.]** Annual appropriation for the operation, maintenance, and replacements of the project, including emergency replacements necessary to insure continuous operations;

¹ This act omitted from 1957 edition.

(b) [**Repayment to Treasury.**] Repayment to the Treasury, with interest (after making provision for the payments and transfers provided in subdivisions (c) and (d) hereof), of advances to the Colorado River Dam Fund for the construction of the project (excluding the amount allocated to flood control by section 2(b) of the Project Act), and any readvances made to said fund under section 5 hereof; and

(c) [**Payments to Arizona and Nevada.**] Payment subject to the provisions of section 3 hereof, in commutation of the payments now provided for the States of Arizona and Nevada in section 4(b) of the Project Act, to each of said States of the sum of \$300,000 for each year of operation, beginning with the year of operation ending May 31, 1938, and continuing annually thereafter until and including the year of operation ending May 31, 1987, and such payments for any year of operation which shall have expired at the time when this subdivision (c) shall become effective shall be due immediately, and be paid, without interest, as expeditiously as administration of this Act will permit, and each such payment for subsequent years of operation shall be made on or before July 31, following the close of the year of operation for which it is made. All such payments shall be made from revenues hereafter received in the Colorado River Dam Fund.

Notwithstanding the foregoing provisions of this subsection, in the event that there are levied and collected by or under authority of Arizona or Nevada, or by any lawful taxing political subdivision thereof, taxes upon—

(i) the project as herein defined;

(ii) the electrical energy generated at Boulder Dam by means of facilities, machinery, or equipment both owned and operated by the United States, or owned by the United States and operated under contract with the United States;

(iii) the privilege of generating or transforming such electrical energy or of use of such facilities, machinery, or equipment or of falling water for such generation or transforming; or

(iv) the transmission or control of such electrical energy so generated or transformed (as distinguished from the transmission lines and other physical properties used for such transmission or control) or the use of such transmission lines or other physical properties for such transmission or control,

payments made hereunder to the State by or under the authority of which such taxes are collected shall be reduced by an amount equivalent to such taxes. Nothing herein shall in anywise impair the right of either the State of Arizona or the State of Nevada, or any lawful taxing political subdivision of either of them, to collect nondiscriminatory taxes upon that portion of the transmission lines and all other physical properties, situated within such State and such political subdivision, respectively, and belonging to any of the lessees and/or allottees under the Project Act and/or under this Act, and nothing herein shall exempt or be construed

so as to exempt any such property from nondiscriminatory taxation, all in the manner provided by the constitution and laws of such State. Sums, if any, received by each State under the provisions of the Project Act shall be deducted from the first payment or payments to said State authorized by this Act. Payments under this section 2(c) shall be deemed contractual obligations of the United States, subject to the provisions of section 3 of this Act.

(d) [**Colorado River Development Fund.**]¹ Transfer, subject to the provisions of section 3 hereof, from the Colorado River Dam Fund to a special fund in the Treasury, hereby established and designated the "Colorado River Development Fund", of the sum of \$500,000 for the year of operation ending May 31, 1938, and the like sum of \$500,000 for each year of operation thereafter, until and including the year of operation, ending May 31, 1987. The transfer of the said sum of \$500,000 for each year of operation shall be made on or before July 31 next following the close of the year of operation for which it is made: *Provided*, That any such transfer for any year of operation which shall have ended at the time this section 2(d) shall become effective, shall be made, without interest, from revenues received in the Colorado River Dam Fund, as expeditiously as administration of this Act will permit, and without readvances from the general funds of the Treasury. Receipts of the Colorado River Development Fund for the years of operation ending in 1938, 1939, and 1940 (or in the event of reduced receipts during any of said years, due to adjustments under section 3 hereof, then the first receipts of said fund up to \$1,500,000), are authorized to be appropriated only for the continuation and extension, under the direction of the Secretary, of studies and investigations by the Bureau of Reclamation for the formulation of a comprehensive plan for the utilization of waters of the Colorado River system for irrigation, electrical power, and other purposes, in the States of the upper division and the States of the lower division, including studies of quantity and quality of water and all other relevant factors. The next such receipts up to and including the receipts for the year of operation ending in 1955 are authorized to be appropriated only for the investigation and construction of projects for such utilization in and equitably distributed among the four States of the upper division. Such receipts for the years of operation ending in 1956 to 1987, inclusive, are authorized to be appropriated for the investigation and construction of projects for such utilization in and equitably distributed among the States of the upper division and the States of the lower division. The terms "Colorado River system," "States of the upper division," and "States of the lower division" as so used shall have the respective meanings defined in the Colorado River compact mentioned in the Project Act. Such projects shall be only such as are found by the Secretary to be physically feasible, economically justified, and consistent with such formulation of a comprehensive plan. Nothing in this Act shall be construed so as to prevent the authorization and construction of any such projects

¹ See also page 289.

prior to the completion of said plan of comprehensive development; nor shall this Act be construed as affecting the right of any State to proceed independently of this Act or its provisions with the investigation or construction of any project or projects. Transfers under this section 2(d) shall be deemed contractual obligations of the United States, subject to the provisions of section 3 of this Act.

* * *

SEC. 7. [First \$25,000,000 advance to be made to flood control without interest.] The first \$25,000,000 of advances made to the Colorado River Dam Fund for the project shall be deemed to be the sum allocated to flood control by section 2(d) of the Project Act and repayment thereof shall be deferred without interest until June 1, 1987, after which time such advances so allocated to flood control shall be repayable to the Treasury as the Congress shall determine.

* * *

NONPROJECT COSTS

[Extract from] An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1949, and for other purposes. (Act June 29, 1948, 62 Stat. 1112, 1130, Public Law 80-841.)

Boulder Canyon project: For operation, maintenance, and replacements of the dam, power plant, and other facilities, of the Boulder Canyon project, \$1,500,000, payable from the Colorado River Dam fund, including payments to the Boulder City school district in accordance with the provisions of Public Law 528, approved May 12, 1948.¹ Said payments for dependents of those employees of the Bureau of Reclamation directly employed in the construction, operation, and maintenance of the project shall be deemed a part of the cost of operation and maintenance of said project under section 1 (a) of the Boulder Canyon Project Adjustment Act (Act of July 19, 1940, 54 Stat. 774). Other such payments shall be deemed nonproject costs. The Secretary shall submit to the Appropriations Committees annually a justification showing all investments and expenditures made or proposed out of the Colorado River Dam fund, for the joint use of the project and of other Federal activities at or near Boulder City. In the proportion that such investments and expenditures were or shall be for the use of such other Federal activities and not related to the construction, operation, or maintenance of the project they shall be deemed nonproject investments and expenditures. The obligation under the provision of section 2 of the said Act to repay to the United States Treasury advances and readvances to the Colorado River Dam fund which obligation is made the basis for computation of rates under the provision of section 1 of said Act, shall be diminished in the amount that non-project invest-

¹ Sic. Actually approved May 14, 1948.

ments or expenditures are or have been made from said fund and the rates computed pursuant to said section 1 of said Act shall reflect such diminution.

BOULDER CITY ACT OF 1958

[Extracts from] An act to provide for the disposal of certain Federal property in the Boulder City area, to provide assistance in the establishment of a municipality incorporated under the laws of Nevada, and for other purposes. (Act of September 2, 1958, 72 Stat. 1726, 1730, Public Law 85-900.)

SEC. 1. [Federal disposal of Boulder City.] That it is the purpose of this Act to authorize the disposal of certain Federal property in that area in Clark County in the State of Nevada commonly known as Boulder City, now a part of the Boulder Canyon project, in order that the people of that area may enjoy local self-government and to facilitate the establishment by them of a municipal corporation under the laws of the State of Nevada.

* * *

SEC. 4. [Transfer of improved lands.] (a) Upon incorporation of the municipality, the Secretary shall be authorized to transfer to the municipality without cost, subject to any existing leases granted by the United States, all improved lands within the Boulder City municipal area the improvements to which are privately owned and such unimproved lands within that area as the Secretary determines are not required in connection with the administration, operation, and maintenance of Federal activities located within or near the Boulder City municipal area, and to assign to the municipality without cost any leases granted by the United States on such lands: *Provided*, That any such lease shall provide, or, at the request of the holder of an existing lease, shall be amended to provide, (1) that, in the event the leased property shall be transferred to the municipality pursuant to this section, the holder of any such lease shall, for a period of two years after the date of incorporation of the municipality, be entitled to exercise an option to purchase the leased property at the original appraised value as determined pursuant to subsection 3(d) of this Act, and shall, after the end of the aforesaid two-year period and until the expiration of the lease, be entitled to exercise an option to purchase the leased property at its appraised value as determined by a qualified appraiser or appraisers to be appointed by the governing authority of the municipality; (2) that all determinations of appraised value with respect to the aforesaid property shall be made without reference to improvements on the leased property made or acquired at the expense of the current or any former lessee thereof; and (3) that, in the event that incorporation of the municipality shall be effected within four years after the date of this Act, the holder of the lease shall be entitled to a reduction in the price of any purchase under the aforesaid option of 10 per centum of the purchase price.

(b) **[Determination of boundaries; granting of leases.]** In that

part of Boulder City where federally owned lands not under lease are occupied by privately owned structures and which is commonly referred to as Lakeview Addition, the Secretary shall determine, by such method as may be appropriate, lot lines to conform, as nearly as is reasonable and feasible in his judgment, to the existing pattern of land occupancy. On submission of satisfactory proof of ownership, the Secretary shall offer to the owner a lease, in accordance with the terms of the first proviso under the heading "Boulder Canyon Project" in the Interior Department Appropriation Act, 1941 (54 Stat. 406, 437), of the lot his structure is occupying, as determined and defined by the Secretary. Or, on request of any such owner, the Secretary may, in his discretion, lease to such owner, in lieu of the lot his structure is occupying, another lot in the Boulder City municipal area, to be approved by the Secretary, on condition that such owner agree to clear and vacate the former lot and to relocate or build on the lieu lot a habitable structure. Where the removal of any structure becomes necessary in order to accomplish the subdivision, the Secretary may acquire or relocate such structure. The continuing validity of any lease granted under this subsection shall be conditioned on the lessee's making proper connections to water, electric, and sewerage systems, and may be conditioned on the lessee's rehabilitation, replacement, or relocation of any or all structures occupying the land in order to bring about closer conformance with general standards prevailing in the community. Unless incorporation of the municipality shall previously have been achieved, the Secretary, at the expiration of fiscal year 1963, may terminate and may renegotiate, on such terms and conditions as he may prescribe, any lease of a lot granted under this subsection, except a lease of a lieu lot. The Secretary's determinations under this subsection shall be final and conclusive.

SEC. 5. [Transfer of functions, title.] (a) Subject to the provisions of subsection 9(a) and section 11 of this Act, the Secretary shall transfer all activities and functions of a municipal character to the municipality upon its incorporation.

(b) The Secretary is authorized to transfer to the appropriate school district all right, title, and interest of the United States to all the school buildings and related equipment and facilities, and to lands upon which they are situated, owned by the United States in the Boulder City municipal area.

(c) Upon its incorporation, the Secretary shall transfer to the municipality, subject to the limitation contained in subsection (d) of this section all real and personal property, including, but not limited to, buildings, lands, equipment, facilities, works, and utilities, owned by the United States, and used primarily in the performance of activities and functions to be transferred under subsection (a) of this section.

(d) The Secretary shall determine which contracts to which the United States is now a party concern activities and functions to be transferred under subsection (a) of this section and are properly assignable to the municipality. The Secretary shall assign such contracts to the municipality upon its incorporation, and the

acceptance of such assignment by the municipality shall be a condition precedent to the transfer of property under subsection (c) of this section.

SEC. 6. [Boulder City Municipal Fund.] (a) There is hereby established in the Treasury a special fund to be known as the Boulder City Municipal Fund. All proceeds from the disposal under this Act of Federal property lying within the Boulder City municipal area shall be deposited in such fund.

(b) **[Appropriations.]** (1) Moneys in the Boulder City Municipal Fund are hereby appropriated for expenditure at the direction of the Secretary for payment of the expenses of the disposal of property under sections 3, 4, and 5 of this Act, including the cost of subdividing land and effecting the necessary acquisition or relocation of structures under subsection 4(b) of this Act and the payment of rebates, where appropriate, to vendees of the United States entitled to the special benefit provided under section 3 of this Act for attainment of early incorporation of the municipality.

(2) There are hereby authorized to be appropriated from moneys in the Boulder City Municipal Fund, or from general funds, (A) an amount not to exceed \$75,000 for payment to the municipality for replacement and rehabilitation of municipal facilities and utilities, such payment to be diminished by an amount, as estimated by the Secretary, equal to the revenues which would otherwise probably have accrued to the United States from municipal operations of the city between the date of incorporation of the municipality and the end of the fiscal year in which such date falls; and (B) an amount not to exceed \$150,000 for expenditure by the Secretary for such initial construction or improvement of, or additions to, street, water, electric, and sewerage systems for that part of Boulder City referred to in subsection 4(b) of this Act as Lakeview Addition as the Secretary may deem necessary toward conformance with general standards for such utilities and facilities prevailing in the community.

(c) **[Remaining funds.]** Except for such sums as may be required for expenditures under subsection (b) (1) of this section, all moneys remaining in and accruing to the Boulder City Municipal Fund either (1) after the date of incorporation of the municipality, or (2) after the expiration of fiscal year 1963, if such incorporation shall not then have been achieved, shall be divided into two parts, as determined by the Secretary, representing project and nonproject investments in the property yielding the moneys deposited in the Boulder City Municipal Fund. Said parts shall be covered into the general fund of the Treasury, but the first part shall constitute a payment to the Treasury diminishing the obligation under section 2 of the Adjustment Act to repay advances and readvances to the Colorado River Dam Fund, and the rates computed pursuant to section 1 of said act shall reflect such diminution: *Provided*, That solely for the purpose of effecting the aforesaid division, the principal of all mortgage obligations held by the United States pursuant to section 3 of this Act shall then

be deemed to have been paid in full into the Boulder City Municipal Fund; and all moneys thereafter received by the United States in payment of principal, interest, or other charges under such mortgage obligations shall be covered into the general fund of the Treasury, except as such moneys may initially be required to repay the outstanding portion of any loan under subsection (d) of this section.

(d) **[Loans.]** The Secretary, if he deems it necessary, may arrange for the loan of moneys from the Colorado River Dam Fund to the Boulder City Municipal Fund in order that he may make expenditures pursuant to subsections (b) (1) and (b) (2) of this section prior to the receipt of sufficient revenue from the disposal of property under this Act, the loans to be repaid out of such revenues.

(e) **[Payments.]** Upon its incorporation, the Secretary shall cause to be paid over to the municipality all unobligated balances from appropriations available for municipal operations of the city, less the estimated cost for the remainder of the fiscal year after incorporation of furnishing water to the municipality pursuant to section 9 of this Act.

* * *

CANADIAN RIVER PROJECT

TEXAS

FISH AND WILDLIFE DEVELOPMENT PLAN

UNITED STATES DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington 25, D.C., July 27, 1960.

The SECRETARY OF THE INTERIOR.

SIR: There are attached¹ to and made a part of this letter "A Detailed Report on the Fish and Wildlife Resources for Sanford Reservoir, Canadian River Project, Texas," dated May 1954, and a supplement thereto entitled "Single-Purpose Fish and Wildlife Plan for Sanford Reservoir, Canadian River Project," dated June 1958, both of which were prepared by the Fish and Wildlife Service.

We recommend that this Fish and Wildlife Service plan for the Canadian River Project be submitted for Presidential approval as required by section 2a of the Act of December 29, 1950 (64 Stat. 1124) authorizing the construction, operation, and maintenance of the Canadian River Project which provides as follows:

Notwithstanding any recommendations in the above-mentioned report to the contrary, only the costs of construction allocable to flood control and, upon approval by the President of a suitable plan thereof, to the preservation and propagation of fish and wildlife, and operation and maintenance costs allocable to the same purposes, shall be nonreimbursable.

The plan of development for fish and wildlife aspects of the Canadian River Project is described in the attached documents¹ and in the Bureau of Reclamation feasibility report which was printed as House Document 678, 81st Congress. The plan provides for public access areas at key locations on Sanford Reservoir and minimum standard access roads to guarantee accessibility of the public to fish and wildlife benefits created by the reservoir.

* * *

The estimated single-purpose cost of \$3,808,200 represents the upper limit of allocation to fish and wildlife purposes. The cost of specific fish and wildlife facilities including the capitalized value of the operation and maintenance cost of such facilities (\$1,165,300) will constitute the minimum allocation to Fish and Wildlife. The actual amount to be allocated will be determined by use of the separable cost-remaining benefits method when the de-

¹ Excluded from this publication.

tailed studies necessary for preparation of the definite plan report are completed.

The primary purpose of the Canadian River Project is to furnish municipal water supplies to seven cities in the Texas high plains area. Those cities have banded together to form the Canadian River Municipal Water Authority which was established by a special act of the Texas legislation in 1953 for the purpose of constructing, operating, and maintaining the project. This authority is fully qualified to contract with the United States for repayment of the costs allocated to municipal water supply. Since the project was authorized in 1950, additional studies of repayment arrangements and of alternative non-Federal construction plans have been under consideration by the Authority. We are informed that the Authority has found it infeasible to build this project on a non-Federal basis.

The individual cities have come to agreement as to the proportions of the costs to be charged to each city. These events clear the way for Federal construction of the project which is now being sought by the Authority in accordance with the authorization. Before proceeding further with the preparation of final plans, cost estimates, and economic analyses, we must have approval of a fish and wildlife plan.

We recommend, therefore, that you approve and adopt this as your report of the fish and wildlife plan for the Canadian River Project and that you transmit it to the President through the Bureau of the Budget for his consideration and approval in accordance with the provisions of the Act of December 29, 1950 (64 Stat. 1124).

Respectfully,

N. B. BENNETT, Jr.,
Acting Commissioner of Reclamation.
ARNIE SUOMELA,
Commissioner of Fish and Wildlife.

Approved and adopted September 22, 1960.

ELMER F. BENNETT,
Acting Secretary of the Interior.

UNITED STATES DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington 25, D.C., September 22, 1960.

The PRESIDENT,
The White House,
Washington 25, D.C.

(Through the Bureau of the Budget.)

DEAR MR. PRESIDENT: There is enclosed for your consideration a letter signed jointly by the Commissioner of Reclamation and the Commissioner of Fish and Wildlife, which I have approved and adopted as our report on a fish and wildlife plan for the Canadian River Project, Texas.

Construction of this project by the Secretary of the Interior, acting pursuant to the Federal Reclamation laws, was authorized by the Act of December 29, 1950 (64 Stat. 1124). Section 2(a) of that Act provides as follows:

Notwithstanding any recommendations in the above-mentioned report to the contrary, only the costs of construction allocable to flood control and, upon approval by the President of a suitable plan thereof, to the preservation and propagation of fish and wildlife, and operation and maintenance costs allocable to the same purposes, shall be nonreimbursable.

The physical and hydrological aspects of the authorized Sanford Dam and Reservoir have been determined with sufficient accuracy now to permit an evaluation of the fish and wildlife plan. Other matters which have delayed the start of construction on the Canadian River Project now appear to be satisfactorily resolved, and we are now ready to proceed with the final, detailed studies. Accordingly, a plan for conservation and development of fish and wildlife resources at Sanford Reservoir is submitted for your consideration and approval as required by the authorizing act.

It is recommended that you approve this plan for conservation and development of the fish and wildlife resources on the Canadian River Project.

Sincerely yours,

ELMER F. BENNETT,
Acting Secretary of the Interior.

THE WHITE HOUSE,
Washington, December 18, 1962.

Honorable STEWART L. UDALL,
Secretary of the Interior,
Washington 25, D.C.

DEAR MR. SECRETARY: Your letter of March 21, 1961,¹ submits your plan for the preservation and propagation of fish and wildlife resources for the Canadian River project, Texas, pursuant to the Act of December 29, 1950 (Public Law 898). It also sets forth your determination that the plan conforms with current policies of the Department's program for water resources development.

I hereby approve your plan for development of the fish and wildlife resources on the Canadian River project.

Sincerely,

JOHN F. KENNEDY.

¹ Excluded from this publication. Letter of Sep. 22, 1960, above, reviewed.

PUBLIC RECREATION FACILITIES

An act to provide for the establishment and administration of public recreational facilities at the Sanford Reservoir area, Canadian River project, Texas, and for other purposes. (Act of August 31, 1964, 78 Stat. 744, Public Law 88-536.)

SEC. 1. [Sanford Reservoir area, recreational facilities.] That the Secretary of the Interior is hereby authorized to investigate, plan, construct, operate and maintain, or otherwise provide for basic public outdoor recreation facilities at the Sanford Reservoir area, Canadian Federal reclamation project, to acquire or otherwise include within the project area such adjacent lands or interests therein as are necessary for present or future public recreation use, and to provide for the public use and enjoyment of project lands, facilities, and water areas in a manner coordinated with other project purposes: *Provided*, That this Act shall not provide the Secretary with a basis for allocation to recreation of water, reservoir capacity, or joint project costs of the Canadian River project nor affect the priority for municipal use of water stored in Sanford Reservoir, or the priority of use for municipal purposes of the capacity of said reservoir. The Secretary is authorized to enter into agreements with Federal agencies or State or local public bodies for the operation, maintenance, or additional development of project lands or facilities, or to dispose of project lands or facilities to Federal agencies or State or local public bodies by lease, transfer, conveyance or exchange upon such terms and conditions as will best promote the development and operation of such lands or facilities in the public interest for recreation purposes. The cost of providing basic recreation facilities shall be nonreimbursable. In carrying out the aforesaid activities the Secretary shall take cognizance of the effect of the fish and wildlife plan approved by the President December 19, 1962, pursuant to the Act of December 29, 1950 (64 Stat. 1124) in providing facilities at the Canadian River project which have general recreation utility.

SEC. 2. [Appropriation authorized.] There are authorized to be appropriated such amounts, but not more than \$1,100,000, as may be necessary for the investigation, preparation of plans, construction and acquisition of lands authorized in this Act.

LAKE MEREDITH

Joint resolution to designate the lake to be formed by the waters impounded by Sanford Dam, Canadian River project, Texas, as "Lake Meredith". (Act of August 31, 1965, 79 Stat. 587, Public Law 89-153.)

That the lake to be formed by the waters impounded by Sanford Dam, Canadian River project, Texas shall hereafter be known as "Lake Meredith" in honor of A. A. Meredith. Any law, regulation, document, or record of the United States in which such lake is designated or referred to shall be held to refer to such lake as "Lake Meredith".

CARLSBAD PROJECT

NEW MEXICO

ALAMOGORDO DAM

The *proviso* for nonreimbursability of funds for the Alamo-gordo Spillway enlargement in the appropriation act of July 1, 1954, was repeated in the appropriation act of July 15, 1955.

FLOOD CONTROL ACT OF 1950 ¹

[Extract from] An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes. (Act May 17, 1950, 64 Stat. 163, 182, Public Law 81-516.)

SEC. 209. [Flood Control Costs.] The Chief of Engineers and the Secretary of the Army are directed to review their previous studies and to report to the Congress the amount of the total cost of the Alamogordo Dam and Reservoir on the Pecos River, New Mexico, which is properly allocable to flood control, in accordance with the provisions of section 7 of the Flood Control Act approved August 11, 1939.

SAFETY AND PUBLIC USE FACILITIES

[Extract from] An act making supplemental appropriations for the fiscal year ending June 30, 1957, and for other purposes. (Act of July 31, 1956, 70 Stat. 763, 771, Public Law 84-855.)

Construction and Rehabilitation: For an additional amount for "Construction and rehabilitation," \$12,750,000, of which not to exceed \$25,000 shall be available for the construction of safety and public use facilities at the Alamogordo Dam, Carlsbad project, New Mexico; * * *

[Extract from] An act making appropriations for * * * certain agencies of the Department of the Interior * * * for the fiscal year ending June 30, 1960, and for other purposes. (Act September 10, 1959, 73 Stat. 491, 495, Public Law 86-254.)

Construction and Rehabilitation: * * * That not to exceed \$25,000 of the funds appropriated in this paragraph shall be available for the construction of safety and public-use facilities at the Alamogordo Dam (Carlsbad project), New Mexico, which shall be nonreimbursable and nonreturnable.

¹ This Act omitted from 1957 edition.

CENTRAL ARIZONA PROJECT

ARIZONA-NEW MEXICO

The feasibility report on the Central Arizona project was transmitted by the Secretary of the Interior to the Congress on September 16, 1948 (House Document No. 136, 81st Congress). Supplements to this report were transmitted to the Congress on May 6, 1949.

The original plan was updated by the Bureau of Reclamation in an "Appraisal Report" dated January 1962, prepared for the State of Arizona and by a "Supplemental Report" dated June 1963. A report entitled "Summary Report—Central Arizona Project with Federal Prepayment Power Arrangements, February 1967" was transmitted to the House and Senate Interior and Insular Affairs Committees by the Secretary on March 2, 1967, to supplement his letter of February 15, 1967, to the Vice President transmitting the administration's draft of a proposed bill. These documents are excluded from this publication.

The project was authorized by the Colorado River Basin Project Act of September 30, 1968 (82 Stat. 885).

DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington 25, D.C., January 26, 1948.

The SECRETARY OF THE INTERIOR.

SIR: In response to a request by the chairman of the Subcommittee on Irrigation and Reclamation of the Senate Public Lands Committee, I submit herewith my proposed report on the Central Arizona project in the lower Colorado River Basin. The project, described in the attached report¹ of the regional director dated December 19, 1947, involves the construction of Bridge Canyon Dam and power plant on the Colorado River above Hoover Dam to develop urgently needed power for California and the lower Colorado River Basin and provide energy for pumping water from Lake Havasu behind Parker Dam for diversion to the highly developed irrigated area in the central portion of Arizona. The project also involves the construction of pumping plants, aqueducts, related dams, irrigation and drainage systems, power plants, transmission lines, and incidental works as described in

¹ Excluded from this publication.

the attached report. The diversion of irrigation water to central Arizona is needed to avert economic stagnation in the area.

The proposed project has engineering feasibility, and the proposed reimbursable costs probably can be repaid in 78 years under the plan outlined in this and the attached report. The benefits from this project will exceed the costs in the ratio of 1.63 to 1.00 based on the amortization of all construction costs at a 2 percent interest rate. Based on an interest rate of $2\frac{1}{2}$ percent, the benefit-cost ratio would be 1.46 to 1.00.

The total estimated cost of the project, based on present prices, is \$738,408,000. Of this amount, \$658,096,000 is indicated as properly chargeable to power, irrigation and municipal water and \$80,312,000 to flood control, the preservation and propagation of fish and wildlife, silt control, recreation, and salinity control. The regional director recommends that the former group be treated as reimbursable, the latter as nonreimbursable.

* * *

In view of the urgent need for power from Bridge Canyon Dam and for irrigation, domestic, and industrial water supplies in central Arizona, and conditioned upon a settlement of the water-right conflict being secured such that a water supply can be assured for the project, I recommend that the project be authorized for construction in accordance with the recommendations of the regional director, in which I concur and which I adopt except as modified herein with respect to the policy by which minimum payment required of the irrigators shall be determined.

I recommend further that you adopt this report as your proposed report and that you authorize me, in your behalf, to transmit copies of this report and the accompanying papers, including the regional director's report, to the States of the Colorado River Basin and to the Secretary of the Army in accordance with the requirements of the Flood Control Act of 1944 (58 Stat. 887), and to the agencies exercising administration over the wildlife resources of the States of Arizona, New Mexico, and Utah in accordance with provisions of the act of August 14, 1946 (60 Stat. 1080). Upon fulfillment of the requirements of those acts, copies of the report, together with comments which are received, will be submitted for your transmittal to the President and subsequently to the Congress.

Respectfully,

MICHAEL W. STRAUS,
Commissioner.

Approved February 5, 1948.

J. A. KRUG,
Secretary of the Interior.

DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington 25, D.C., May 20, 1948.

The SECRETARY OF THE INTERIOR.

SIR: On January 26, 1948, I transmitted to you my proposed report on the Central Arizona project. On February 5, 1948, you adopted that report as your proposed report on the project.

In your behalf, copies of the proposed report were sent to the Secretary of the Army and to the States of Arizona, California, Colorado, New Mexico, Nevada, Utah, and Wyoming, for views and recommendations pursuant to the provisions of section 1 of the Flood Control Act of 1944 (58 Stat. 887), and to the agencies exercising administration over the wildlife resources of the States of Arizona, New Mexico, and Utah in accordance with the requirements of the act of August 14, 1946 (60 Stat. 1080). Copies of the proposed report were sent also to the Federal Power Commission, and the Departments of Agriculture and Commerce. Copies of the written views of the States and the Federal agencies as received are attached. Attached also is a copy of your proposed report and its substantiating materials.

The views of Arizona, New Mexico, and Utah—in which States impoundments and project works are proposed—and of Colorado and Wyoming are, with but minor qualifications, favorable to development of the project in accordance with the plan set forth in your proposed report.

The State of Nevada opposes the development of the proposed project mainly on the grounds of its contention that Arizona's claims to water of the Colorado River are invalid. Nevada contends, furthermore, that there are more practical ways to use the water of the Colorado River for the welfare of the Southwest and the United States.

The views of the State of California have not been received. I have assured the representative of that State, however, that the views of the State, when and if received, will be forwarded promptly to the President and the Congress.

The Secretary of the Army does not object to the proposed project.

Upon consideration of all comments received, I suggest no change in your proposed report. Because of the urgency of the situation in central Arizona, I recommend that you adopt this as your report and that authority be sought to carry out the plan and recommendations contained in your proposed report of February 5, 1948.

Respectfully,

MICHAEL W. STRAUS,
Commissioner.

Approved May 27, 1948.

J. A. KRUG,
Secretary of the Interior.

THE SECRETARY OF THE INTERIOR,
Washington, May 27, 1948.

The PRESIDENT,
The White House,
(Through the Bureau of the Budget).

MY DEAR MR. PRESIDENT: My report on the Central Arizona project is transmitted herewith pursuant to section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187).

The report proposes, subject to conditions therein set forth, the construction of Bridge Canyon Dam and power plant on the Colorado River above Hoover Dam to develop urgently needed power for California and the lower Colorado River Basin, and to provide energy for pumping water from Lake Havasu behind Parker Dam for diversion to the highly developed irrigated area in central Arizona which is in urgent need of water to avert economic stagnation. The proposed construction also includes pumping plants, aqueducts, related dams, irrigation and drainage systems, power plants, transmission lines, and incidental works as described in the attached report.

The report has been submitted to the seven States of the Colorado River Basin and to the Secretary of the Army for their views and recommendations in accordance with provisions of the Flood Control Act of December 22, 1944 (58 Stat. 887), and to the Federal Power Commission and the Departments of Agriculture and Commerce. Copies of the comments received are transmitted herewith along with my report.

I shall appreciate having your advice concerning the relation of this proposed project to your program before I transmit the report to the Congress for its consideration and appropriate action in accordance with provisions of the Reclamation Project Act of 1939.

Sincerely yours,

J. A. KRUG,
Secretary of the Interior.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington 25, D.C., September 16, 1948.

Hon. JOSEPH W. MARTIN, Jr.,
Speaker of the House of Representatives.
Washington, D.C.

MY DEAR MR. SPEAKER: Pursuant to the Federal reclamation laws (act of June 17, 1902, 32 Stat. 388 and acts amendatory thereof or supplementary thereto), and in response to a request from the Subcommittee on Irrigation and Reclamation of the Senate Committee on Interior and Insular Affairs, I transmit herewith my report and findings on the Central Arizona project. The report proposes, subject to the conditions set forth in the report of the Commissioner of Reclamation, dated May 20, 1948, the con-

struction of Bridge Canyon Dam and power plant on the Colorado River above Hoover Dam to develop power which is urgently needed particularly for California and the lower Colorado River Basin, and to provide electric energy for pumping water from Lake Havasu which is created by Parker Dam, for diversion through project works to the highly developed irrigated area in central Arizona. There is urgent need for this water to avert economic stagnation. The proposed construction includes pumping plants, aqueducts, related dams, irrigation and drainage systems, powerplants, transmission lines, and incidental works as described in the report.

* * *

Copies of the report have been sent to the Secretary of the Army and to the States of Arizona, California, Colorado, New Mexico, Nevada, Utah, and Wyoming for their views and recommendations pursuant to the provisions of section 1 of the Flood Control Act of 1944 (58 Stat. 887). The views of Arizona, New Mexico, and Utah—in which States impoundments and project works are proposed—and of Colorado and Wyoming are, with but minor qualifications, favorable to development of the project in accordance with the plan set forth. The State of Nevada opposes the development of the proposed project mainly on the grounds of its contention that Arizona's claims to water of the Colorado River are invalid. Nevada contends, furthermore, that there are more practical ways to use the water of the Colorado River for the welfare of the Southwest and the United States. The views of the State of California have not been received. I have assured the representative of that State, however, that the views of the State, when and if received, will be forwarded promptly to the President and the Congress. The Secretary of the Army does not object to the proposed project.

Assurance of a water supply is an important element of the plan yet to be resolved. The showing in the report of the availability of a substantial quantity of Colorado River water for diversion to central Arizona for irrigation and other purposes is based upon the assumption that the claims of the State of Arizona to this water are valid. It should be noted, however, as the regional director and the Commissioner of Reclamation have pointed out, that the State of California has challenged the validity of Arizona's claim. If the contentions of the State of Arizona are correct, there is an ample water supply for this project. If the contentions of California are correct, there will be no dependable water supply available from the Colorado River for this diversion. While the necessary water supply is physically available at the present time in the Colorado River, the importance of the questions raised by the divergent views and claims of the States is apparent. The Bureau of Reclamation and the Department of the Interior cannot authoritatively resolve this conflict. It can be resolved only by agreement among the States, by court action, or by an agency having jurisdiction. The report is, therefore, transmitted to the Congress for its information and such action as it

deems appropriate under these circumstances. I feel confident that, in considering the project, the Congress should and will give this conflict the full consideration it deserves. The submission of this report is not intended in any way to prejudice full consideration and determination of this controversial matter.

In view of the urgent need for power from Bridge Canyon Dam and for irrigation and domestic and industrial water supplies in Central Arizona, I recommend that if the claims of Arizona are correct to a degree which will provide the necessary water supply, the project be authorized for construction in accordance with the recommendations of the Commissioner of Reclamation.

Sincerely yours,

J. A. KRUG,
Secretary of the Interior.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington 25, D.C., September 16, 1948.

The Honorable the SECRETARY OF THE INTERIOR.

MY DEAR MR. SECRETARY: On May 27, 1948, you transmitted to the Bureau of the Budget for review in accordance with the usual procedure, the report of the Bureau of Reclamation on the Central Arizona project, and on September 14 submitted a proposed letter of transmittal of this report to the Congress.

This report was prepared in response to a request from the Irrigation and Reclamation Subcommittee of the Senate Committee on Interior and Insular Affairs, and I understand that the committee has requested that the report be forwarded to Congress as soon as possible.

Although the Bureau of the Budget has not completed its review and analysis, I agree with your suggestion that you forward the report, together with your proposed letter of transmittal. I shall appreciate it if you will make available a copy of this letter with your transmission.

Sincerely yours,

JAMES E. WEBB,
Director.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., February 4, 1949.

The Honorable the SECRETARY OF THE INTERIOR.

MY DEAR MR. SECRETARY: In Director Webb's letter of September 16, 1948, concerning your report on the Central Arizona project, he pointed out that the Bureau of the Budget had not completed its review and analysis but agreed with your sugges-

tion that the report should be forwarded to the Congress. I am now able to advise you that the Bureau of the Budget has completed its study of the report and a determination has been made of the relationship of the proposed project to the program of the President.

* * *

From an examination of the report, of the comments of the affected States, and of the remarks of other interested Federal agencies, it is apparent that there are a number of important questions and unresolved issues connected with the proposed Central Arizona project. The provision of adequate water supply, if found to be available, is admittedly a high-cost venture which is justified in the report essentially on the basis of an urgent need to eliminate the threat of a serious disruption of the area's economy. Even so, the life of certain major parts of the project is appreciably less than the recommended 78-year pay-out period. The work could be authorized only with a modification of existing law or as an exception thereto. Furthermore, there is no assurance that there will exist the "extremely important element" of a substantial quantity of Colorado River water available for diversion to central Arizona for irrigation and other purposes.

The foregoing summary and the project report have been reviewed by the President. He has instructed me to advise you that authorization of the improvement is not in accord with his program at this time and that he again recommends that measures be taken to bring about prompt settlement of the water-rights controversy.

Sincerely yours,

FRANK PACE, Jr.,
Director.

DEPARTMENT OF THE INTERIOR,
Washington, D.C., May 6, 1949.

Hon. SAM RAYBURN,
Speaker of the House of Representatives,
Washington, D.C.

MY DEAR MR. SPEAKER: Pursuant to the Federal reclamation laws I transmitted to you on September 16, 1948, my report and findings on the Central Arizona project. That report contained no statement concerning the relationship of this proposed project to the program of the President. Since the transmission of the report, the relationship of the Central Arizona project to the program of the President has been explained by the Bureau of the Budget in the following letters:

1. Letter from the Director of the Bureau of the Budget to the Secretary of the Interior, dated February 4, 1949.

2. Letter from the Director of the Bureau of the Budget to the chairman of the Senate Committee on Interior and Insular Affairs, dated February 11, 1949.

3. Letter from the Director of the Bureau of the Budget to the Secretary of the Interior, dated April 20, 1949.

The Bureau of the Budget recommended, in the last of the foregoing communications, that this series of letters be made a part of the official record on the Central Arizona project. In accordance with this recommendation copies¹ of the letters in question are transmitted herewith. I request that these letters be considered as supplements to the report on the Central Arizona project which was transmitted to you on September 16, 1948.

Sincerely yours,

J. A. KRUG,
Secretary of the Interior.

SUMMARY OF COSTS—ECONOMIC AND FINANCIAL ANALYSES

[Extract from House Report No. 1312, 90th Congress, April 24, 1968, Part XI]

A summary of up-to-date capital and operating costs for the Central Arizona Project, including water salvage and recovery works, is set out in the tabulation which follows:

	1967 Price Level
Project costs:	
Granite Reef aqueduct	\$370,760,000
Salt-Gila aqueduct	42,320,000
Tucson aqueduct	46,300,000
Orme Dam and Reservoir	42,340,000
Buttes Dam and Reservoir	35,240,000
Charleston Dam and Reservoir	36,420,000
Hooker Dam and Reservoir	¹ 31,730,000
Drainage system	11,570,000
Power generation and transmission arrangements	² 94,700,000
Subtotal	711,380,000
Indian distribution system	19,970,000
Water salvage and recovery	42,450,000
Fish hatcheries and wildlife refuge	5,250,000
Total project costs	779,050,000
Annual operation, maintenance, and replacement costs:	
Aqueduct system	³ 3,773,000
Power generation and transmission arrangements	³ 6,556,000
Subtotal	10,329,000
Water salvage projects	1,000,000
Fish hatcheries and wildlife refuge	490,000
Total	11,819,000

¹ This amount should not be appreciably different for any suitable alternative to Hooker Dam.

² Includes federally constructed transmission system to project pumps: \$28,480,000—1967 price level.

³ Pumping power costs are associated with power plant and transmission system rather than aqueduct system.

* * *

¹ Letters 2 and 3 omitted from this publication.

Repayment summary	Project cost— 1967 price level	IDC at 3.253 percent	Total for repayment
Reimbursable:			
Irrigation	\$358,157,000		\$358,157,000
Municipal and industrial	216,143,000	\$16,625,000	232,768,000
Power	94,700,000	2,842,000	97,542,000
Irrigation	(45,361,000)		(45,361,000)
Maintenance and inspection	(17,898,000)	(1,031,000)	(18,929,000)
Commercial	(31,441,000)	(1,811,000)	(33,252,000)
Recreation	1,678,000	55,000	1,733,000
Fish and wildlife	323,000	10,000	333,000
Total	671,001,000	19,532,000	690,533,000
Nonreimbursable:			
Flood control	10,964,000		
Recreation	4,306,000		
Fish and wildlife	23,478,000		
Indian distribution system ¹	19,970,000		
Water salvage and recovery	42,450,000		
Fish hatcheries and wildlife refuge	5,250,000		
Total	106,418,000		
Prepaid investigations	1,631,000		
Total project cost	779,050,000		

¹ Secretary makes determination of repayment ability—amount in excess over 50-year period is nonreimbursable.

* * *

JULY 23, 1968.

Hon. HENRY M. JACKSON, *Chairman,*
Committee on Interior and Insular Affairs,
U.S. Senate,
Washington, D.C.

DEAR MR. CHAIRMAN: The following information is that which you requested by telephone. Based on April 1967 prices the estimated cost of the Central Arizona Project with the Granite Reef Aqueduct sized at 3,000 c.f.s. is \$832,180,000. This estimate is comparable to the \$779,050,000 estimate shown in Report No. 1312 of the House Interior and Insular Affairs Committee on H.R. 3300 which reflects a Granite Reef Aqueduct size of 2,500 c.f.s.

If we can be of further assistance, please call on us.

Sincerely yours,

FLOYD E. DOMINY,
Commissioner.

AUTHORIZING ACT

An act to authorize the construction, operation, and maintenance of the Colorado River Basin project, and for other purposes. (Act of September 30, 1968, 82 Stat. 885, Public Law 90-537.)

TITLE I—COLORADO RIVER BASIN PROJECT: OBJECTIVES

SEC. 101. That this Act may be cited as the "Colorado River Basin Project Act".

SEC. 102. (a) It is the object of this Act to provide a program for the further comprehensive development of the water resources of the Colorado River Basin and for the provision of additional and adequate water supplies for use in the upper as well as in the lower Colorado River Basin. This program is declared to be for the purposes, among others, of regulating the flow of the Colorado River; controlling floods; improving navigation; providing for the storage and delivery of the waters of the Colorado River for reclamation of lands, including supplemental water supplies, and for municipal, industrial, and other beneficial purposes; improving water quality; providing for basic public outdoor recreation facilities; improving conditions for fish and wildlife, and the generation and sale of electrical power as an incident of the foregoing purposes.

(b) It is the policy of the Congress that the Secretary of the Interior (hereinafter referred to as the "Secretary") shall continue to develop, after consultation with affected States and appropriate Federal agencies, a regional water plan, consistent with the provisions of this Act and with future authorizations, to serve as the framework under which projects in the Colorado River Basin may be coordinated and constructed with proper timing to the end that an adequate supply of water may be made available for such projects, whether heretofore, herein, or hereafter authorized.

TITLE II—INVESTIGATIONS AND PLANNING

SEC. 201. [**Future water needs of the West. Report to Congress.**] Pursuant to the authority set out in the Reclamation Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto, and the provisions of the Water Resources Planning Act of July 22, 1965, 79 Stat. 244, as amended, with respect to the coordination of studies, investigations and assessments, the Secretary of the Interior shall conduct full and complete reconnaissance investigations for the purpose of developing a general plan to meet the future water needs of the Western United States. Such investigations shall include the long-range water supply available and the long-range water requirements in each water resource region of the Western United States. Progress reports in connection with these investigations shall be submitted to the President, the National Water Commission (while it is in existence), the Water Resources Council, and to the Congress every two years. The first of such reports shall be submitted on or before June 30, 1971, and a final reconnaissance report shall be submitted not later than June 30, 1977: *Provided*, That for a period of ten years from the date of this Act, the Secretary shall not undertake reconnaissance studies of any plan for the importation of water into the Colorado River Basin from any other natural river

drainage basin lying outside the States of Arizona, California, Colorado, New Mexico, and those portions of Nevada, Utah, and Wyoming which are in the natural drainage basin of the Colorado River.

SEC. 202. [Mexican Water Treaty requirements.] The Congress declares that the satisfaction of the requirements of the Mexican Water Treaty from the Colorado River constitutes a national obligation which shall be the first obligation of any water augmentation project planned pursuant to section 201 of this Act and authorized by the Congress. Accordingly, the States of the Upper Division (Colorado, New Mexico, Utah, and Wyoming) and the States of the Lower Division (Arizona, California, and Nevada) shall be relieved from all obligations which may have been imposed upon them by article III (c) of the Colorado River Compact so long as the Secretary shall determine and proclaim that means are available and in operation which augment the water supply of the Colorado River system in such quantity as to satisfy the requirements of the Mexican Water Treaty together with any losses of water associated with the performance of that treaty: *Provided*, That the satisfaction of the requirements of the Mexican Water Treaty (Treaty Series 994, 59 Stat. 1219), shall be from the waters of the Colorado River pursuant to the treaties, laws, and compacts presently relating thereto, until such time as a feasibility plan showing the most economical means of augmenting the water supply available in the Colorado River below Lee Ferry by two and one-half million acre-feet shall be authorized by the Congress and is in operation as provided in this Act.

SEC. 203. (a) [Protection of interests of State of origin.] In the event that the Secretary shall, pursuant to section 201, plan works to import water into the Colorado River system from sources outside the natural drainage areas of the system, he shall make provision for adequate and equitable protection of the interests of the States and areas of origin, including assistance from funds specified in this Act, to the end that water supplies may be available for use in such States and areas of origin adequate to satisfy their ultimate requirements at prices to users not adversely affected by the exportation of water to the Colorado River system.

(b) [State water rights in perpetuity.] All requirements, present or future, for water within any State lying wholly or in part within the drainage area of any river basin from which water is exported by works planned pursuant to this Act shall have a priority of right in perpetuity to the use of the waters of that river basin, for all purposes, as against the uses of the water delivered by means of such exportation works, unless otherwise provided by interstate agreement.

SEC. 204. [Appropriations authorized.] There are hereby authorized to be appropriated such sums as are required to carry out the purposes of this title.

TITLE III—AUTHORIZED UNITS: PROTECTION OF
EXISTING USES

SEC. 301. [Central Arizona authorization.] (a) For the purposes of furnishing irrigation water and municipal water supplies to the water-deficient areas of Arizona and western New Mexico through direct diversion or exchange of water, control of floods, conservation and development of fish and wildlife resources, enhancement of recreation opportunities, and for other purposes, the Secretary shall construct, operate, and maintain the Central Arizona Project, consisting of the following principal works: (1) a system of main conduits and canals, including a main canal and pumping plants (Granite Reef aqueduct and pumping plants), for diverting and carrying water from Lake Havasu to Orme Dam or suitable alternative, which system may have a capacity of 3,000 cubic feet per second or whatever lesser capacity is found to be feasible: *Provided*, That any capacity in the Granite Reef aqueduct in excess of 2,500 cubic feet per second shall be utilized for the conveyance of Colorado River water only when Lake Powell is full or releases of water are made from Lake Powell to prevent the reservoir from exceeding elevation 3,700 feet above mean sea level or when releases are made pursuant to the proviso in section 602(a) (3) of this Act: *Provided further*, That the costs of providing any capacity in excess of 2,500 cubic feet per second shall be repaid by those funds available to Arizona pursuant to the provision of subsection 403(f) of this Act, or by funds from sources other than the development fund; (2) Orme Dam and Reservoir and power-pumping plant or suitable alternative; (3) Buttes Dam and Reservoir, which shall be so operated as not to prejudice the rights of any user in and to the waters of the Gila River as those rights are set forth in the decree entered by the United States District Court for the District of Arizona on June 29, 1935, in United States against Gila Valley Irrigation District and others (Globe Equity Numbered 59); (4) Hooker Dam and Reservoir or suitable alternative, which shall be constructed in such a manner as to give effect to the provisions of subsection (f) of section 304; (5) Charleston Dam and Reservoir; (6) Tucson aqueducts and pumping plants; (7) Salt-Gila aqueducts; (8) related canals, regulating facilities, hydroelectric powerplants, and electrical transmission facilities required for the operation of said principal works; (9) related water distribution and drainage works; and (10) appurtenant works.

(b) Article II(B) (3) of the decree of the Supreme Court of the United States in Arizona against California (376 U.S. 340) shall be so administered that in any year in which, as determined by the Secretary, there is insufficient main stream Colorado River water available for release to satisfy annual consumptive use of seven million five hundred thousand acre-feet in Arizona, California, and Nevada, diversions from the main stream for the Central Arizona Project shall be so limited as to assure the availability of water in quantities sufficient to provide for the aggregate annual

consumptive use by holders of present perfected rights, by other users in the State of California served under existing contracts with the United States by diversion works heretofore constructed, and by other existing Federal reservations in that State, of four million four hundred thousand acre-feet of mainstream water, and by users of the same character in Arizona and Nevada. Water users in the State of Nevada shall not be required to bear shortages in any proportion greater than would have been imposed in the absence of this subsection 301(b). This subsection shall not affect the relative priorities, among themselves, of water users in Arizona, Nevada, and California which are senior to diversions for the Central Arizona Project, or amend any provisions of said decree.

(c) The limitation stated in subsection (b) of this section shall not apply so long as the Secretary shall determine and proclaim that means are available and in operation which augment the water supply of the Colorado River system in such quantity as to make sufficient mainstream water available for release to satisfy annual consumptive use of seven million five hundred thousand acre-feet in Arizona, California, and Nevada.

SEC. 302. (a) [**Indian lands.**] The Secretary shall designate the lands of the Salt River Pima-Maricopa Indian Community, Arizona, and the Fort McDowell-Apache Indian Community, Arizona, or interests therein, and any allotted lands or interests therein within said communities which he determines are necessary for use and occupancy by the United States for the construction, operation, and maintenance of Orme Dam and Reservoir, or alternative. The Secretary shall offer to pay the fair market value of the lands and interests designated, inclusive of improvements. In addition, the Secretary shall offer to pay toward the cost of relocating or replacing such improvements not to exceed \$500,000 in the aggregate, and the amount offered for the actual relocation or replacement of a residence shall not exceed the difference between the fair market value of the residence and \$8,000. Each community and each affected allottee shall have six months in which to accept or reject the Secretary's offer. If the Secretary's offer is rejected, the United States may proceed to acquire the property interests involved through eminent domain proceedings in the United States District Court for the District of Arizona under 40 U.S.C., sections 257 and 258a. Upon acceptance in writing of the Secretary's offer, or upon the filing of a declaration of taking in eminent domain proceedings, title to the lands or interests involved, and the right to possession thereof, shall vest in the United States. Upon a determination by the Secretary that all or any part of such lands or interests are no longer necessary for the purpose for which acquired, title to such lands or interests shall be restored to the appropriate community upon repayment to the Federal Government of the amounts paid by it for such lands.

(b) Title to any land or easement acquired pursuant to this section shall be subject to the right of the former owner to use or lease the land for purposes not inconsistent with the construction,

operation, and maintenance of the project, as determined by, and under terms and conditions prescribed by, the Secretary. Such right shall include the right to extract and dispose of minerals. The determination of fair market value under subsection (a) shall reflect the right to extract and dispose of minerals and all other uses permitted by this section.

(c) In view of the fact that a substantial portion of the lands of the Fort McDowell Mohave-Apache Indian Community will be required for Orme Dam and Reservoir, or alternative, the Secretary shall, in addition to the compensation provided for in subsection (a) of this section, designate and add to the Fort McDowell Indian Reservation twenty-five hundred acres of suitable lands in the vicinity of the reservation that are under the jurisdiction of the Department of the Interior in township 4 north, range 7 east; township 5 north, range 7 east; and township 3 north, range 7 east, Gila and Salt River base meridian, Arizona. Title to lands so added to the reservation shall be held by the United States in trust for the Fort McDowell Mohave-Apache Indian Community.

(d) Each community shall have a right, in accordance with plans approved by the Secretary, to develop and operate recreational facilities along the part of the shoreline of the Orme Reservoir located on or adjacent to its reservation, including land added to the Fort McDowell Reservation as provided in subsection (b) of this section, subject to rules and regulations prescribed by the Secretary governing the recreation development of the reservoir. Recreation development of the entire reservoir and federally owned lands under the jurisdiction of the Secretary adjacent thereto shall be in accordance with a master recreation plan approved by the Secretary. The members of each community shall have nonexclusive personal rights to hunt and fish on or in the reservoir without charge to the same extent they are now authorized to hunt and fish, but no community shall have the right to exclude others from the reservoir except by control of access through its reservation or any right to require payment by members of the public except for the use of community lands or facilities.

(e) All funds paid pursuant to this section, and any per capita distribution thereof, shall be exempt from all forms of State and Federal income taxes.

SEC. 303. [Power studies authorized.] (a) The Secretary is authorized and directed to continue to a conclusion appropriate engineering and economic studies and to recommend the most feasible plan for the construction and operation of hydroelectric generating and transmission facilities, the purchase of electrical energy, the purchase of entitlement to electrical plant capacity, or any combination thereof, including participation, operation, or construction by non-Federal entities, for the purpose of supplying the power requirements of the Central Arizona Project and augmenting the Lower Colorado River Basin Development Fund: *Provided*, That nothing in this section or in this Act contained shall be construed to authorize the study or construction of any

dams on the main stream of the Colorado River between Hoover Dam and Glen Canyon Dam.

(b) If included as a part of the recommended plan, the Secretary may enter into agreements with non-Federal interests proposing to construct thermal generating powerplants whereby the United States shall acquire the right to such portions of their capacity, including delivery of power and energy over appurtenant transmission facilities to mutually agreed upon delivery points, as he determines is required in connection with the operation of the Central Arizona Project. When not required for the Central Arizona Project, the power and energy acquired by such agreements may be disposed of intermittently by the Secretary for other purposes at such prices as he may determine, including its marketing in conjunction with the sale of power and energy from Federal powerplants in the Colorado River system so as to produce the greatest practicable amount of power and energy that can be sold at firm power and energy rates. The agreements shall provide, among other things, that—

(1) the United States shall pay not more than that portion of the total construction cost, exclusive of interest during construction, of the powerplants, and of any switchyards and transmission facilities serving the United States, as is represented by the ratios of the respective capacities to be provided for the United States therein to the total capacities of such facilities. The Secretary shall make the Federal portion of such costs available to the non-Federal interests during the construction period, including the period of preparation of designs and specifications, in such installments as will facilitate a timely construction schedule, but no funds other than for preconstruction activities shall be made available by the Secretary until he determines that adequate contractual arrangements have been entered into between all the affected parties covering land, water, fuel supplies, power (its availability and use), rights-of-way, transmission facilities and all other necessary matters for the thermal generating powerplants;

(2) annual operation and maintenance costs shall be apportioned between the United States and the non-Federal interests on an equitable basis taking into account the ratios determined in accordance with foregoing clause (1): *Provided, however,* That the United States shall share on the foregoing basis in the depreciation component of such costs only to the extent of provision for depreciation on replacements financed by the non-Federal interests;

(3) the United States shall be given appropriate credit for any interests in Federal lands administered by the Department of the Interior that are made available for the powerplants and appurtenances;

(4) costs to be borne by the United States under clauses (1) and (2) shall not include (a) interest and interest during

construction, (b) financing charges, (c) franchise fees, and (d) such other costs as shall be specified in the agreement.

(c) [**Recommendations to Congress.**] No later than one year from the effective date of this Act, the Secretary shall submit his recommended plan to the Congress. Except as authorized by subsection (b) of this section, such plan shall not become effective until approved by the Congress.

(d) [**Arizona, apportionment of diverted water.**] If any thermal generating plant referred to in subsection (b) of this section is located in Arizona, and if it is served by water diverted from the drainage area of the Colorado River system above Lee Ferry, other provisions of existing law to the contrary notwithstanding, such consumptive use of water shall be a part of the fifty thousand acre-feet per annum apportioned to the State of Arizona by article III (a) of the Upper Colorado River Basin Compact (63 Stat. 31).

SEC. 304. (a) [**Irrigation restriction.**] Unless and until otherwise provided by Congress, water from the Central Arizona Project shall not be made available directly or indirectly for the irrigation of lands not having a recent irrigation history as determined by the Secretary, except in the case of Indian lands, national wildlife refuges, and, with the approval of the Secretary, State-administered wildlife management areas.

(b) (1) [**Water supply, repayment contracts.**] Irrigation and municipal and industrial water supply under the Central Arizona Project within the State of Arizona may, in the event the Secretary determines that it is necessary to effect repayment, be pursuant to master contracts with organizations which have power to levy assessments against all taxable real property within their boundaries. The terms and conditions of contracts or other arrangements whereby each such organization makes water from the Central Arizona Project available to users within its boundaries shall be subject to the Secretary's approval, and the United States shall, if the Secretary determines such action is desirable to facilitate carrying out the provisions of this Act, have the right to require that it be a party to such contracts or that contracts subsidiary to the master contracts be entered into between the United States and any user. The provisions of this clause (1) shall not apply to the supplying of water to an Indian tribe for use within the boundaries of an Indian reservation.

(2) [**Repayment contracts.**] Any obligation assumed pursuant to section 9 (d) of the Reclamation Project Act of 1939 (43 U.S.C. 485h (d)) with respect to any project contract unit or irrigation block shall be repaid over a basic period of not more than fifty years; any water service provided pursuant to section 9 (e) of the Reclamation Project Act of 1939 (43 U.S.C. 485h (e)) may be on the basis of delivery of water for a period of fifty years and for the delivery of such water at an identical price per acre-foot for water of the same class at the several points of delivery from the main canals and conduits and from such other points of delivery as the Secretary may designate; and long-term contracts relating

to irrigation water supply shall provide that water made available thereunder may be made available by the Secretary for municipal or industrial purposes if and to the extent that such water is not required by the contractor for irrigation purposes.

(3) **[Municipal and industrial water supply contracts.]** Contracts relating to municipal and industrial water supply under the Central Arizona Project may be made without regard to the limitations of the last sentence of section 9(c) of the Reclamation Project Act of 1939 (43 U.S.C. 485h (c)); may provide for the delivery of such water at an identical price per acre-foot for water of the same class at the several points of delivery from the main canals and conduits; and may provide for repayment over a period of fifty years if made pursuant to clause (1) of said section and for the delivery of water over a period of fifty years if made pursuant to clause (2) thereof.

(c) **[Water conservation.]** Each contract under which water is provided under the Central Arizona Project shall require that (1) there be in effect measures, adequate in the judgment of the Secretary, to control expansion of irrigation from aquifers affected by irrigation in the contract service area; (2) the canals and distribution systems through which water is conveyed after its delivery by the United States to the contractors shall be provided and maintained with linings adequate in his judgment to prevent excessive conveyance losses; and (3) neither the contractor nor the Secretary shall pump or permit others to pump ground water from within the exterior boundaries of the service area of a contractor receiving water from the Central Arizona Project for any use outside said contractor's service area unless the Secretary and such contractor shall agree, or shall have previously agreed, that a surplus of ground water exists and that drainage is or was required. Such contracts shall be subordinate at all times to the satisfaction of all existing contracts between the Secretary and users in Arizona heretofore made pursuant to the Boulder Canyon Project Act (45 Stat. 1057).

(d) **[Water exchanges.]** The Secretary may require in any contract under which water is provided from the Central Arizona Project that the contractor agree to accept main stream water in exchange for or in replacement of existing supplies from sources other than the main stream. The Secretary shall so require in the case of users in Arizona who also use water from the Gila River system to the extent necessary to make available to users of water from the Gila River system in New Mexico additional quantities of water as provided in and under the conditions specified in subsection (f) of this section: *Provided*, That such exchanges and replacements shall be accomplished without economic injury or cost to such Arizona contractors.

(e) **[Water shortage priorities.]** In times of shortage or reduction of main stream Colorado River water for the Central Arizona Project, as determined by the Secretary, users which have yielded water from other sources in exchange for main stream water supplied by that project shall have a first priority

to receive main stream water, as against other users supplied by that project which have not so yielded water from other sources, but only in quantities adequate to replace the water so yielded.

(f) [**New Mexico users, water exchange contracts.**] (1) In the operation of the Central Arizona Project, the Secretary shall offer to contract with water users in New Mexico for water from the Gila River, its tributaries and underground water sources in amounts that will permit consumptive use of water in New Mexico of not to exceed an annual average in any period of ten consecutive years of eighteen thousand acre-feet, including reservoir evaporation, over and above the consumptive uses provided for by article IV of the decree of the Supreme Court of the United States in Arizona against California (376 U.S. 340). Such increased consumptive uses shall not begin until, and shall continue only so long as, delivery of Colorado River water to downstream Gila River users in Arizona is being accomplished in accordance with this Act, in quantities sufficient to replace any diminution of their supply resulting from such diversion from the Gila River, its tributaries and underground water sources. In determining the amount required for this purpose full consideration shall be given to any differences in the quality of the waters involved.

(2) The Secretary shall further offer to contract with water users in New Mexico for water from the Gila River, its tributaries, and underground water sources in amounts that will permit consumptive uses of water in New Mexico of not to exceed an annual average in any period of ten consecutive years of an additional thirty thousand acre-feet, including reservoir evaporation. Such further increases in consumptive use shall not begin until, and shall continue only so long as, works capable of augmenting the water supply of the Colorado River system have been completed and water sufficiently in excess of two million eight hundred thousand acre-feet per annum is available from the main stream of the Colorado River for consumptive use in Arizona to provide water for the exchanges herein authorized and provided. In determining the amount required for this purpose full consideration shall be given to any differences in the quality of the waters involved.

(3) All additional consumptive uses provided for in clauses (1) and (2) of this subsection shall be subject to all rights in New Mexico and Arizona as established by the decree entered by the United States District Court for the District of Arizona on June 29, 1935, in United States against Gila Valley Irrigation District and others (Globe Equity Numbered 59) and to all other rights existing on the effective date of this Act in New Mexico and Arizona to water from the Gila River, its tributaries, and underground water sources, and shall be junior thereto and shall be made only to the extent possible without economic injury or cost to the holders of such rights.

(g) [**Newly irrigated lands, restriction.**] For a period of ten years from the date of enactment of this Act, no water from the projects authorized by this Act shall be delivered to any water

user for the production on newly irrigated lands of any basic agricultural commodity, as defined in the Agricultural Act of 1949, or any amendment thereof, if the total supply of such commodity for the marketing year in which the bulk of the crop would normally be marketed is in excess of the normal supply as defined in section 301 (b) (10) of the Agricultural Adjustment Act of 1938 (52 Stat. 38), as amended (7 U.S.C. 1301), unless the Secretary of Agriculture calls for an increase in production of such commodity in the interest of national security.

SEC. 305. [Main stream water cost.] To the extent that the flow of the main stream of the Colorado River is augmented in order to make sufficient water available for release, as determined by the Secretary pursuant to article II (b) (1) of the decree of the Supreme Court of the United States in Arizona against California (376 U.S. 340), to satisfy annual consumptive use of two million eight hundred thousand acre-feet in Arizona, four million four hundred thousand acre-feet in California, and three hundred thousand acre-feet in Nevada, respectively, the Secretary shall make such water available to users of main stream water in those States at the same costs (to the extent that such costs can be made comparable through the nonreimbursable allocation to the replenishment of the deficiencies occasioned by satisfaction of the Mexican Treaty burden as herein provided and financial assistance from the development fund established by section 403 of this Act) and on the same terms as would be applicable if main stream water were available for release in the quantities required to supply such consumptive use.

SEC. 306. [Water salvage programs.] The Secretary shall undertake programs for water salvage and ground water recovery along and adjacent to the main stream of the Colorado River. Such programs shall be consistent with maintenance of a reasonable degree of undisturbed habitat for fish and wildlife in the area, as determined by the Secretary.

SEC. 307. [Dixie project, integration.] The Dixie Project, heretofore authorized in the State of Utah, is hereby reauthorized for construction at the site determined feasible by the Secretary, and the Secretary shall integrate such project into the repayment arrangement and participation in the Lower Colorado River Basin Development Fund established by title IV of this Act consistent with the provisions of the Act: *Provided*, That section 8 of Public Law 88-565 (78 Stat. 848) is hereby amended by deleting the figure "\$42,700,000" and inserting in lieu thereof the figure "\$58,000,000".

SEC. 308. [Fish and wildlife conservation and development.] The conservation and development of the fish and wildlife resources and the enhancement of recreation opportunities in connection with the project works authorized pursuant to this title shall be in accordance with the provisions of the Federal Water Project Recreation Act (79 Stat. 213), except as provided in section 302 of this Act.

SEC. 309. (a) [Central Arizona project, appropriation author-

ized.] There is hereby authorized to be appropriated for construction of the Central Arizona Project, including prepayment for power generation and transmission facilities but exclusive of distribution and drainage facilities for non-Indian lands, \$832,180,000 plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indices applicable to the types of construction involved therein and, in addition thereto, such sums as may be required for operation and maintenance of the project.

(b) [**Non-Indian lands facilities, appropriation.**] There is also authorized to be appropriated \$100,000,000 for construction of distribution and drainage facilities for non-Indian lands. Notwithstanding the provisions of section 403 of this Act, neither appropriations made pursuant to the authorization contained in this subsection (b) nor revenues collected in connection with the operation of such facilities shall be credited to the Lower Colorado River Basin Development Fund and payments shall not be made from that fund to the general fund of the Treasury to return any part of the costs of construction, operation, and maintenance of such facilities.

TITLE IV—LOWER COLORADO RIVER BASIN DEVELOPMENT FUND: ALLOCATION AND REPAYMENT OF COSTS: CONTRACTS

SEC. 401. [**Allocation of costs.**] Upon completion of each lower basin unit of the project herein or hereafter authorized, or separate feature thereof, the Secretary shall allocate the total costs of constructing said unit or features to (1) commercial power, (2) irrigation, (3) municipal and industrial water supply, (4) flood control, (5) navigation, (6) water quality control, (7) recreation, (8) fish and wildlife, (9) the replenishment of the depletion of Colorado River flows available for use in the United States occasioned by performance of the Water Treaty of 1944 with the United Mexican States (Treaty Series 994; 59 Stat. 1219), and (10) any other purposes authorized under the Federal reclamation laws. Costs of construction, operation, and maintenance allocated to the replenishment of the depletion of Colorado River flows available for use in the United States occasioned by compliance with the Mexican Water Treaty (including losses in transit, evaporation from regulatory reservoirs, and regulatory losses at the Mexican boundary, incurred in the transportation, storage, and delivery of water in discharge of the obligations of that treaty) shall be nonreimbursable: *Provided*, That the nonreimbursable allocation shall be made on a pro rata basis to be determined by the ratio between the amount of water required to comply with the Mexican Water Treaty and the total amount of water by which the Colorado River is augmented pursuant to the investigations authorized by title II of this Act and any future Congressional authorization. The repayment of costs allocated to

recreation and fish and wildlife enhancement shall be in accordance with the provisions of the Federal Water Project Recreation Act (79 Stat. 213): *Provided*, That all of the separable and joint costs allocated to recreation and fish and wildlife enhancement as a part of the Dixie project, Utah, shall be nonreimbursable. Costs allocated to nonreimbursable purposes shall be nonreturnable under the provisions of this Act.

SEC. 402. [Indian lands, repayment capability.] The Secretary shall determine the repayment capability of Indian lands within, under, or served by any unit of the project. Construction costs allocated to irrigation of Indian lands (including provision of water for incidental domestic and stock water uses) and within the repayment capability of such lands shall be subject to the Act of July 1, 1932 (47 Stat. 564; 25 U.S.C. 386a), and such costs that are beyond repayment capability of such lands shall be nonreimbursable.

SEC. 403. (a) [Lower Colorado River Basin Development Fund. Establishment.] There is hereby established a separate fund in the Treasury of the United States to be known as the Lower Colorado River Basin Development Fund (hereafter called the "development fund"), which shall remain available until expended as hereafter provided.

(b) **[Advances from general fund of Treasury.]** All appropriations made for the purpose of carrying out the provisions of title III of this Act shall be credited to the development fund as advances from the general fund of the Treasury, and shall be available for such purpose.

(c) **[Other development fund credits.]** There shall also be credited to the development fund—

(1) all revenues collected in connection with the operation of facilities authorized in title III in furtherance of the purposes of this Act (except entrance, admission, and other recreation fees or charges and proceeds received from recreation concessionaires), including revenues which, after completion of payout of the Central Arizona Project as required herein are surplus, as determined by the Secretary, to the operation, maintenance, and replacement requirements of said project;

(2) any Federal revenues from the Boulder Canyon and Parker-Davis projects which, after completion of repayment requirements of the said Boulder Canyon and Parker-Davis projects, are surplus, as determined by the Secretary, to the operation, maintenance, and replacement requirements of those projects: *Provided, however*, That the Secretary is authorized and directed to continue the in-lieu-of-tax payments to the States of Arizona and Nevada provided for in section 2(c) of the Boulder Canyon Project Adjustment Act so long as revenues accrue from the operation of the Boulder Canyon project; and

(3) any Federal revenues from that portion of the Pacific Northwest-Pacific Southwest intertie located in the

States of Nevada and Arizona which, after completion of repayment requirements of the said part of the Pacific Northwest-Pacific Southwest intertie located in the States of Nevada and Arizona, are surplus, as determined by the Secretary, to the operation, maintenance, and replacement requirements of said portion of the Pacific Northwest-Pacific Southwest intertie and related facilities.

(d) [**Development fund revenue use.**] All moneys collected and credited to the development fund pursuant to subsection (b) and clauses (1) and (3) of subsection (c) of this section and the portion of revenues derived from the sale of power and energy for use in Arizona pursuant to clause (2) of subsection (c) of this section shall be available, without further appropriation, for—

(1) defraying the costs of operation, maintenance, and replacements of, and emergency expenditures for, all facilities of the projects, within such separate limitations as may be included in annual appropriation Acts; and

(2) payments to reimburse water users in the State of Arizona for losses sustained as a result of diminution of the production of hydroelectric power at Coolidge Dam, Arizona, resulting from exchanges of water between users in the States of Arizona and New Mexico as set forth in section 304 (f) of this Act.

(e) [**No construction with revenues.**] Revenues credited to the development fund shall not be available for construction of the works comprised within any unit of the project herein or hereafter authorized except upon appropriation by the Congress.

(f) [**Returns to Treasury.**] Moneys credited to the development fund pursuant to subsection (b) and clauses (1) and (3) of subsection (c) of this section and the portion of revenues derived from the sale of power and energy for use in Arizona pursuant to clause (2) of subsection (c) of this section in excess of the amount necessary to meet the requirements of clauses (1) and (2) of subsection (d) of this section shall be paid annually to the general fund of the Treasury to return—

(1) the costs of each unit of the projects or separable feature thereof authorized pursuant to title III of this Act which are allocated to irrigation, commercial power, or municipal and industrial water supply, pursuant to this Act within a period not exceeding fifty years from the date of completion of each such unit or separable feature, exclusive of any development period authorized by law: *Provided*, That return of the cost, if any, required by section 307 shall not be made until after the payout period of the Central Arizona Project as authorized herein; and

(2) interest (including interest during construction) on the unamortized balance of the investment in the commercial power and municipal and industrial water supply features of the project at a rate determined by the Secretary of the Treasury in accordance with the provisions of subsection (h) of this section, and interest due shall be a first charge.

(g) All revenues credited to the development fund in accordance with clause (c) (2) of this section (excluding only those revenues derived from the sale of power and energy for use in Arizona during the payout period of the Central Arizona Project as authorized herein) and such other revenues as remain in the development fund after making the payments required by subsections (d) and (f) of this section shall be available (1) to make payments, if any, as required by sections 307 and 502 of this Act, and (2) upon appropriation by the Congress, to assist in the repayment of reimbursable costs incurred in connection with units hereafter constructed to provide for the augmentation of the water supplies of the Colorado River for use below Lee Ferry as may be authorized as a result of the investigations and recommendations made pursuant to section 201 and subsection 203(a) of this Act.

(h) **[Interest rate.]** The interest rate applicable to those portions of the reimbursable costs of each unit of the project which are properly allocated to commercial power development and municipal and industrial water supply shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which the first advance is made for initiating construction of such unit, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations which are neither due nor callable for redemption for fifteen years from the date of issue.

(i) **[Annual budgets, submittal to Congress.]** Business-type budgets shall be submitted to the Congress annually for all operations financed by the development fund.

SEC. 404. [Report to Congress.] On January 1 of each year the Secretary shall report to the Congress, beginning with the fiscal year ending June 30, 1969, upon the status of the revenues from and the cost of constructing, operating, and maintaining each lower basin unit of the project for the preceding fiscal year. The report of the Secretary shall be prepared to reflect accurately the Federal investment allocated at that time to power, to irrigation, and to other purposes, the progress of return and repayment thereon, and the estimated rate of progress, year by year, in accomplishing full repayment.

TITLE V—UPPER COLORADO RIVER BASIN: AUTHORIZATIONS AND REIMBURSEMENTS

See page 287.

* * *

TITLE VI—GENERAL PROVISIONS: DEFINITIONS: CONDITIONS

SEC. 601. [**Compacts not altered.**] (a) Nothing in this Act shall be construed to alter, amend, repeal, modify, or be in conflict with the provisions of the Colorado River Compact (45 Stat. 1057), the Upper Colorado River Basin Compact (63 Stat. 31), the Water Treaty of 1944 with the United Mexican States (Treaty Series 994; 59 Stat. 1219), the decree entered by the Supreme Court of the United States in Arizona against California and others (376 U.S. 340), or, except as otherwise provided herein, the Boulder Canyon Project Act (45 Stat. 1057), the Boulder Canyon Project Adjustment Act (54 Stat. 774; 43 U.S.C. 618a) or the Colorado River Storage Project Act (70 Stat. 105; 43 U.S.C. 620).

(b) The Secretary is directed to—

(1) [**Reports to the President, Congress, etc.**] make reports as to the annual consumptive uses and losses of water from the Colorado River system after each successive five-year period, beginning with the five-year period starting on October 1, 1970. Such reports shall include a detailed breakdown of the beneficial consumptive use of water on a State-by-State basis. Specific figures on quantities consumptively used from the major tributary streams flowing into the Colorado River shall also be included on a State-by-State basis. Such reports shall be prepared in consultation with the States of the lower basin individually and with the Upper Colorado River Commission, and shall be transmitted to the President, the Congress, and to the Governors of each State signatory to the Colorado River Compact; and

(2) condition all contracts for the delivery of water originating in the drainage basin of the Colorado River system upon the availability of water under the Colorado River Compact.

(c) [**Federal officers and agencies, compliance.**] All Federal officers and agencies are directed to comply with the applicable provisions of this Act, and of the laws, treaty, compacts, and decree referred to in subsection (a) of this section, in the storage and release of water from all reservoirs and in the operation and maintenance of all facilities in the Colorado River system under the jurisdiction and supervision of the Secretary, and in the operation and maintenance of all works which may be authorized hereafter for the augmentation of the water supply of the Colorado River system. In the event of failure of any such officer or agency to so comply, any affected State may maintain an action to enforce the provisions of this section in the Supreme Court of the United States and consent is given to the joinder of the United States as a party in such suit or suits, as a defendant or otherwise.

SEC. 602. [**Criteria for release of water.**] (a) In order to comply with and carry out the provisions of the Colorado River Compact, the Upper Colorado River Basin Compact, and the Mexican

Water Treaty, the Secretary shall propose criteria for the coordinated long-range operation of the reservoirs constructed and operated under the authority of the Colorado River Storage Project Act, the Boulder Canyon Project Act, and the Boulder Canyon Project Adjustment Act. To effect in part the purposes expressed in this paragraph, the criteria shall make provision for the storage of water in storage units of the Colorado River storage project and releases of water from Lake Powell in the following listed order of priority:

(1) releases to supply one-half the deficiency described in article III(c) of the Colorado River Compact, if any such deficiency exists and is chargeable to the States of the Upper Division, but in any event such releases, if any, shall not be required in any year that the Secretary makes the determination and issues the proclamation specified in section 202 of this Act;

(2) releases to comply with article III(d) of the Colorado River Compact, less such quantities of water delivered into the Colorado River below Lee Ferry to the credit of the States of the Upper Division from other sources; and

(3) storage of water not required for the releases specified in clauses (1) and (2) of this subsection to the extent that the Secretary, after consultation with the Upper Colorado River Commission and representatives of the three Lower Division States and taking into consideration all relevant factors (including, but not limited to, historic streamflows, the most critical period of record, and probabilities of water supply), shall find this to be reasonably necessary to assure deliveries under clauses (1) and (2) without impairment of annual consumptive uses in the upper basin pursuant to the Colorado River Compact: *Provided*, That water not so required to be stored shall be released from Lake Powell: (i) to the extent it can be reasonably applied in the States of the Lower Division to the uses specified in article III(e) of the Colorado River Compact, but no such releases shall be made when the active storage in Lake Powell is less than the active storage in Lake Mead, (ii) to maintain, as nearly as practicable, active storage in Lake Mead equal to the active storage in Lake Powell, and (iii) to avoid anticipated spills from Lake Powell.

(b) **[Criteria, report to Congress.]** Not later than January 1, 1970, the criteria proposed in accordance with the foregoing subsection (a) of this section shall be submitted to the Governors of the seven Colorado River Basin States and to such other parties and agencies as the Secretary may deem appropriate for their review and comment. After receipt of comments on the proposed criteria, but not later than July 1, 1970, the Secretary shall adopt appropriate criteria in accordance with this section and publish the same in the Federal Register. Beginning January 1, 1972, and yearly thereafter, the Secretary shall transmit to the Congress and to the Governors of the Colorado River Basin

States a report describing the actual operation under the adopted criteria for the preceding compact water year and the projected operation for the current year. As a result of actual operating experience or unforeseen circumstances, the Secretary may thereafter modify the criteria to better achieve the purposes specified in subsection (a) of this section, but only after correspondence with the Governors of the seven Colorado River Basin States and appropriate consultation with such State representatives as each Governor may designate.

(c) Section 7 of the Colorado River Storage Project Act shall be administered in accordance with the foregoing criteria.

SEC. 603. [Colorado River Compact.] (a) Rights of the upper basin to the consumptive use of water available to that basin from the Colorado River system under the Colorado River Compact shall not be reduced or prejudiced by any use of such water in the lower basin.

(b) Nothing in this Act shall be construed so as to impair, conflict with, or otherwise change the duties and powers of the Upper Colorado River Commission.

SEC. 604. [Federal Reclamation laws.] Except as otherwise provided in this Act, in constructing, operating, and maintaining the units of the projects herein and hereafter authorized, the Secretary shall be governed by the Federal reclamation laws (Act of June 17, 1902; 32 Stat. 388, and Acts amendatory thereof or supplementary thereto) to which laws this Act shall be deemed a supplement.

SEC. 605. [Federal Power Act.] Part I of the Federal Power Act (41 Stat. 1063; 16 U.S.C. 791a-823) shall not be applicable to the reaches of the main stream of the Colorado River between Hoover Dam and Glen Canyon Dam until and unless otherwise provided by Congress.

SEC. 606. [Definitions.] As used in this Act, (a) all terms which are defined in the Colorado River Compact shall have the meanings therein defined;

(b) "Main stream" means the main stream of the Colorado River downstream from Lee Ferry within the United States, including the reservoirs thereon;

(c) "User" or "water user" in relation to main stream water in the lower basin means the United States or any person or legal entity entitled under the decree of the Supreme Court of the United States in Arizona against California, and others (376 U.S. 340), to use main stream water when available thereunder;

(d) "Active storage" means that amount of water in reservoir storage, exclusive of bank storage, which can be released through the existing reservoir outlet works;

(e) "Colorado River Basin States" means the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming;

(f) "Western United States" means those States lying wholly or in part west of the Continental Divide; and

(g) "Augment" or "augmentation", when used herein with reference to water, means to increase the supply of the Colorado River or its tributaries by the introduction of water into the Colorado River system, which is in addition to the natural supply of the system.

CENTRAL VALLEY PROJECT

CALIFORNIA

The San Luis Unit, West San Joaquin Division, feasibility report was transmitted by the Secretary of the Interior to the Congress on December 17, 1956. The unit was authorized for construction by act of Congress on June 3, 1960 (74 Stat. 156).

Hidden and Buchanan Reservoirs were authorized by the Flood Control Act of 1962, Public Law 87-874, approved October 23, 1962, for construction by the Corps of Engineers, "substantially in accordance with the recommendations of the Chief of Engineers" among which were the recommendations that these projects be financially integrated into the Central Valley Project for repayment of project costs. Marysville Dam, Powerplant, and Reservoir was authorized by the Flood Control Act of 1966, Public Law 89-789, approved November 7, 1966, for construction by the Corps of Engineers, to be financially integrated into Central Valley Project for repayment. Also, it authorized construction by the Bureau of Reclamation of associated power transmission lines at an estimated cost of \$1,200,000.

The Secretary's feasibility report on the Auburn-Folsom South Unit was transmitted to the Congress on January 15, 1962 (H. Doc. No. 305, 87th Congress). His supplemental feasibility report was transmitted on October 21, 1963 (H. Doc. No. 171, 88th Congress). Construction of the Unit was authorized by the Act of September 2, 1965 (79 Stat. 615).

The Secretary's feasibility report on the San Felipe Division was transmitted to the Congress on September 26, 1966 (H. Doc. No. 500, 89th Congress). Construction of the Division was authorized by the Act of August 27, 1967 (81 Stat. 173).

An increase in capacity in Tehama-Colusa Canal, Sacramento River Division, was authorized by the Act of August 19, 1967 (81 Stat. 167).

TRINITY RIVER DIVISION

POWER FACILITIES INCREASED

[Extract from] An act making appropriations for * * * certain agencies of the Department of the Interior, * * * for the fiscal year ending June 30, 1957, and for other purposes. (Act of July 2, 1956, 70 Stat. 474-475, Public Law 84-641.)

Funds made available herein and hereafter to the Trinity division, Central Valley project, shall be available for the design and construction of power and hydraulic facilities totaling not to exceed approximately four hundred thousand kilowatts.

JUDGE FRANCIS CARR POWERHOUSE

A joint resolution to designate the powerhouse on Clear Creek at the head of Whiskeytown Reservoir, in the State of California, as Judge Francis Carr Powerhouse. (Act of August 31, 1964, 78 Stat. 764, Public Law 88-555.)

That the one hundred and thirty thousand kilowatt capacity powerhouse on Clear Creek at the head of Whiskeytown Reservoir shall hereafter be known as Judge Francis Carr Powerhouse in honor of Judge Francis Carr, of Redding, California, a lawyer, judge, public servant, and advocate of reclamation development including the great Central Valley project developed to meet the serious water shortages in the San Joaquin Valley and Sacramento Valley of California. The Secretary of the Interior is hereby directed to place a suitable plaque at the site. Any law, regulation, document, or record of the United States in which such powerhouse is designated or referred to shall be held to refer to such powerhouse under and by the name of Judge Francis Carr Powerhouse.

CLAIR ENGLE LAKE

An act to designate as Clair Engle Lake the reservoir created by the Trinity Dam, Central Valley project, California. (Act of October 13, 1964, 78 Stat. 1093, Public Law 88-662.)

That the reservoir created by the Trinity Dam, Central Valley project, California, shall hereafter be known as Clair Engle Lake as an appropriate tribute to the outstanding leadership and great service which the late Clair Engle performed on behalf of the development of our natural resources in the State of California and the Nation, and especially his enlightened vision for the necessity to conserve and put to the best possible beneficial use the water and power resources of this Nation, and any law, regulation, document, or record of the United States in which such reservoir is designated or referred to shall hereafter be held to refer to such reservoir by the name of Clair Engle Lake.

SAN LUIS UNIT

U.S. DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., June 18, 1956.

The SECRETARY OF THE INTERIOR.

SIR: This is my report on the San Luis Unit, West San Joaquin Division, Central Valley Project, California. It is based on and includes the proposed report on this project which you approved for transmittal to States and Federal agencies on December 1, 1955.

Copies of your proposed report were transmitted to the State of California and to the Secretary of the Army in accordance with provisions of section 1(c) of the Flood Control Act of 1944 (58 Stat. 887) and to the State of California for comments of the head of the agency exercising administration over the wildlife resources of that State in accordance with provisions of the Act of August 14, 1946 (60 Stat. 1080). Copies of the report were also sent to the agencies represented on the Inter-Agency Committee on Water Resources for comments.

Comments have been received from all agencies and are attached.¹ The views of the Federal agencies are generally favorable and such as to require no revision of your proposed report.

The views of the State of California are extensive and raise several points that may not be susceptible to early resolution. In essence the State recommends that the San Luis Unit, modified to fit the State's proposed Feather River Project, be authorized for immediate construction by the Bureau of Reclamation and for operation by the State of California as part of its Feather River Project. The State would acquire and pay for all lands, easements, and rights of way for the San Luis Unit, would repay to the United States from project revenues the reimbursable construction costs on an interest-free basis, and upon completion of repayment would receive title to all of the Unit works. Further, the State would contract for the use and repayment on an interest-free basis of Central Valley Project power facilities to the extent and at the cost at which those facilities would have been associated with the San Luis Unit if constructed and operated by the Federal Government as an extension of the Central Valley Project. Although this last provision is not entirely clear, it appears, from the discussion in the State's comments, to involve repayment by the State of \$67,304,000 of capital investment in the Central Valley Project power system over a 40-year period. In return 200,000 kilowatts of power would be made available to the State in the vicinity of Tracy and energy up to 830,000,000 kilowatt-hours per year would be available at 2.5 mills per kilowatt-hour. It is not apparent whether or not such repayment of capital investment in the Central Valley Project power system would be expected to entitle the State to a continuing right to power from

¹ Excluded from this publication.

the Central Valley Project after expiration of the 40 years and upon what terms.

I am fully in accord with the State's objective of integrating the San Luis Unit with the Feather River Project and am confident that mutually satisfactory means can be found to accomplish this. I cannot conclude at this time, however, that the proposals of the State are entirely acceptable or constitute the best means of obtaining this integration. Several aspects of its recommendations involve precedent making policies in Federal-State relationships which should receive careful study and consideration. Most important of these are the following:

1. Acquisition and retention by the State of lands, easements, and rights of way upon which Federal structures would be built. This would require special legislation exempting the San Luis Unit in this respect from the existing requirements of Reclamation law.

2. Assumption by the State of the role of contracting entity for repayment of Unit costs. There is no precedent in Reclamation experience for this arrangement, at least for an undertaking of this magnitude. Negotiations new in scope and character and encompassing new problems would be involved; for example, provisions relating to acreage limitation and other requirements of Reclamation law and examination of the existing authority of the State to assume the obligations that would be imposed on it including the guaranteeing of repayment of Federal costs.

3. Adoption of special conditions for furnishing pumping power from a Federal to a State project. Here again there is no precedent, and the State proposal opens a new field of policy in Federal-State relationships. Power from the Trinity River Division is contemplated as the major source for the San Luis Unit pumping requirements, and hence, in addition, final arrangements for construction of Trinity power facilities now under negotiation with non-Federal interests could well affect the nature of any contract to supply power to the State for the San Luis Unit pumping purposes.

Without rather extensive policy guidance on the above and other points in the authorizing legislation, which would be difficult for the Congress to furnish prior to exploration and study of the issues involved in their many ramifications, negotiations leading to an acceptable contract could be quite time consuming. The need for additional water supply in the San Luis area is urgent, the local interests are urging an early start of construction, and there appear to be no material obstacles to agreement on the physical structures required. If construction were started in 1957, it would be at least 1963 before water would be available to the area.

On the other hand, initial construction of the Unit as an extension of the Central Valley Project, modified to fit ultimately into the Feather River Project, would be a way to meet the immediate basic objectives of the State. During construction, and as the

plans for the Feather River Project and the Trinity River development become crystallized, negotiations could be carried out between the Secretary of the Interior and the State of California for integration of the San Luis Unit with the Feather River Project. Adequate time would thus be available to study fully the problems involved and reach agreement free of the time measure that would be present if final agreement and subsequent congressional approval were prerequisite to initiation of construction. Any arrangement or contract thus developed should be subject to approval by the Congress.

As indicated hereinbefore, the various matters raised by the State of California present many problems. Nevertheless, the Governor of California in hearings before both the House and Senate Committees on Interior and Insular Affairs, indicated his belief and intent, that these problems could be worked out. We are currently exploring these problems with the State Engineer and are seeking clarification of some details of the State's position. Although a legislative recommendation will depend on further analysis and resolution of some of the problems herein outlined, I urge that you approve and adopt this report as an interim report on the project and that you transmit it together with the attached comments to the President and the Congress.

Respectfully,

E. G. NIELSEN,
Acting Commissioner.

Approved and adopted Aug. 1, 1956

FRED A. SEATON,
Secretary of the Interior.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington 25, D.C., August 1, 1956.

The PRESIDENT,
The White House,
Washington 25, D.C.

(Through the Bureau of the Budget).

MY DEAR MR. PRESIDENT: My report on the San Luis Unit, West San Joaquin Division, Central Valley Project, California, is transmitted herewith, pursuant to the provisions of Section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187).

The Unit will provide a full water supply to 440,000 acres of land along the west side of the San Joaquin valley. Most of this area is presently irrigated from ground water, but due to the rapidly lowering water levels, it is estimated that less than 150,000 acres can be sustained in permanent irrigated agriculture under present conditions. The Unit will also provide some domestic and municipal water supplies as well as important benefits to recreation and the preservation and propagation of fish and wildlife.

The major works involved include the San Luis Reservoir of 1,000,000 acre-foot initial capacity, the San Luis pumping plant to pump water from the Delta-Mendota Canal to the San Luis Reservoir or directly to the irrigation canal system, and a system of main canals to serve the project area. The capacity could be increased by another 1,000,000 acre-feet or more to be available when needed by the State of California for its further development of water utilization. In addition to these major works, certain other features consisting of a distribution system, drainage system, and deep wells for ground water pumping will be required. The latter of these three items is proposed for non-Federal construction while the first two are proposed for either Federal or non-Federal construction.

The estimated cost of the major works, based on January 1954 prices, which are close to present prices, is \$229,143,000. The estimated cost of the other features is \$170,067,000, making a total Unit cost of \$399,210,000. Modification of plans to integrate the Unit into the proposed Feather River Project will, of course, alter these costs to some extent, but it is not expected that they would be changed significantly.

Our studies indicate that the Unit is economically justified and that all reimbursable costs will be returned within 50 years. The Unit is urgently needed to prevent a progressive recession of farming, the major economic activity in the service area. The local people have shown interest in and support for the development.

The report has been transmitted to officials of the State of California and to the Secretary of the Army for their consideration and recommendations as required by the provisions of Section 1(c) of the Flood Control Act of 1944 (53 Stat. 887). It was sent also to the State of California for the comments of the head of the agency exercising administration over the wildlife resources of that State as required by the provisions of the Act of August 14, 1946 (60 Stat. 1080) and to the Departments of Agriculture, Commerce, Labor, and Health, Education, and Welfare, and the Federal Power Commission in accordance with interagency agreements. Comments have been received from all agencies, and copies¹ are enclosed with the report.

The comments of all Federal agencies received are either favorable or without objection to the San Luis Unit.

The State of California, in its comments, recommended that the San Luis Unit, modified to fit the State's proposed Feather River Project, be authorized for immediate construction by the Bureau of Reclamation and for operation by the State as part of its Feather River Project. The State proposed also that it acquire and pay for all lands, easements, and rights of way for the San Luis Unit, contract for the use and repayment of Central Valley Project power facilities, repay to the United States from project revenues the reimbursable project costs on an interest-free basis, and upon completion of repayment receive title to all of the Unit

¹ Excluded from this publication.

works. All of these provisions, under the State's recommendations, would be accomplished by contract between the Secretary of the Interior and the State of California which would require approval by the Congress prior to construction of the San Luis Unit.

The basic objectives of the State in its proposals to share in project costs, assume project operation, and construct the larger Feather River Project are all consistent with the partnership approach sponsored by this Administration, which I fully support. As the Commissioner of Reclamation points out, however, there are several facets of the State's recommendations that will require detailed study and negotiation before final agreement can be obtained.

Initial construction of the Unit as an extension of the Central Valley Project, modified to fit ultimately into the Feather River Project, and accompanied by concurrent negotiations with the State of California looking to terms of integration of the Unit with the Feather River Project, is one way in which the immediate basic objectives of the State of California could be achieved. This would avoid the delay that would be involved in securing firm agreements with the State concerning integration with the Feather River Project and in obtaining the approval of the Congress prior to initiation of construction. Negotiations with the State could result in agreement prior to completion of the project. The Department desires to cooperate with the people of California and its government. This is in accord with your policy to promote to the ultimate degree cooperation with the people affected. The Department of the Interior is ready to begin these negotiations immediately upon request by the proper State officials.

The report is being transmitted to you as an interim report for your information in advance of recommendations for legislative action. Upon receipt of your comments it, likewise, will be transmitted to the Congress for its information.

Sincerely yours,

FRED A. SEATON,
Secretary of the Interior.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington 25, D.C., November 9, 1956.

The Honorable SECRETARY OF THE INTERIOR.

DEAR MR. SECRETARY: This is in response to your letter of August 1 concerning the San Luis Unit, West San Joaquin Division, Central Valley Project of California.

The proposal that the Federal Government join with the State of California in the development of this unit is entirely in accord with the administration's overall policy of cooperative development of the Nation's water resources. We would urge you, at your earliest convenience to explore this possibility in greater detail

with the State of California to see if mutually satisfactory arrangements can be made.

We would be pleased to review such plans when they have been formulated.

Sincerely yours,

ROBERT E. MERRIAM,
Assistant Director.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington 25, D.C., December 17, 1956.

Hon. SAM RAYBURN,
Speaker of the House of Representatives,
Washington 25, D.C.

MY DEAR MR. SPEAKER: My report on the San Luis Unit, West San Joaquin Division, Central Valley Project, is transmitted herewith pursuant to the provisions of section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187). The report is being transmitted as an interim report for the information of the Congress in advance of recommendations for legislative action. Negotiations with the State of California concerning possible means of integrating the San Luis Unit with the proposed Feather River Project of the State are proceeding at the present time and their outcome will be instrumental in shaping the recommendations that this Department will make when authorizing legislation for the San Luis Unit is considered by the Congress.

Copies of this Department's proposed report were transmitted to the State of California and to the agencies represented on the Interagency Committee on Water Resources for comment. Comments have been received from all to which the report was sent, and copies are enclosed.

The report and copies of all comments were transmitted to the President. Enclosed is a copy of the letter of comments of November 9, 1956, from Assistant Budget Director Robert E. Merriam.

Sincerely yours,

FRED A. SEATON,
Secretary of the Interior.

Identical letter to: Hon. Richard M. Nixon, President of the Senate.

SAN LUIS UNIT AUTHORIZING ACT

An act to authorize the Secretary of the Interior to construct the San Luis Unit of the Central Valley project, California, to enter into an agreement with the State of California with respect to the construction and operation of such unit, and for other purposes. (Act of June 3, 1960, 74 Stat. 156, Public Law 86-488.)

SEC. 1. [Construction.] That (a) for the principal purpose of furnishing water for the irrigation of approximately five hundred

thousand acres of land in Merced, Fresno, and Kings Counties, California, hereinafter referred to as the Federal San Luis unit service area, and as incidents thereto of furnishing water for municipal and domestic use and providing recreation and fish and wildlife benefits, the Secretary of the Interior (hereinafter referred to as the Secretary) is authorized to construct, operate, and maintain the San Luis unit as an integral part of the Central Valley project. The principal engineering features of said unit shall be a dam and reservoir at or near the San Luis site, a forebay and afterbay, the San Luis Canal, the Pleasant Valley Canal, and necessary pumping plants, distribution systems, drains, channels, levees, flood works and related facilities, but no facilities shall be constructed for electric transmission or distribution service which the Secretary determines, on the basis of an offer of a firm fifty-year contract from a local public or private agency, can through such contract be obtained at less cost to the Federal Government than by construction and operation of Government facilities. The works (hereinafter referred to as joint-use facilities) for joint use with the State of California (hereinafter referred to as the State) shall be the dam and reservoir at or near the San Luis site, forebay and afterbay, pumping plants, and the San Luis Canal. The joint-use facilities consisting of the dam and reservoir shall be constructed, and other joint-use facilities may be constructed, so as to permit future expansion; or the joint-use facilities shall be constructed initially to the capacities necessary to serve both the Federal San Luis unit service area and the State's service area, as hereinafter provided. In constructing, operating, and maintaining the San Luis unit, the Secretary shall be governed by the Federal reclamation laws (Act of June 17, 1902 (32 Stat. 388), and Acts amendatory thereof or supplementary thereto). Construction of the San Luis unit shall not be commenced until the Secretary has (1) secured, or has satisfactory assurance of his ability to secure, all rights to the use of water which are necessary to carry out the purposes of the unit and the terms and conditions of this Act, and (2) received satisfactory assurance from the State of California that it will make provision for a master drainage outlet and disposal channel for the San Joaquin Valley, as generally outlined in the California water plan, Bulletin Numbered 3, of the California Department of Water Resources, which will adequately serve, by connection therewith, the drainage system for the San Luis unit or has made provision for constructing the San Luis interceptor drain to the delta designed to meet the drainage requirements of the San Luis unit as generally outlined in the report of the Department of the Interior, entitled "San Luis Unit, Central Valley Project," dated December 17, 1956.

(b) No water provided by the Federal San Luis unit shall be delivered in the Federal San Luis service area to any water user for the production on newly irrigated lands of any basic agricultural commodity, as defined in the Agricultural Act of 1949, or any amendment thereof, if the total supply of such commodity

as estimated by the Secretary of Agriculture for the marketing year in which the bulk of the crop would normally be marketed and which will be in excess of the normal supply as defined in section 301(b)(10) of the Agricultural Adjustment Act of 1938, as amended, unless the Secretary calls for an increase in production of such commodity in the interest of national security.

SEC. 2. [Negotiation for delivery outside San Luis area.] The Secretary is authorized, on behalf of the United States, to negotiate and enter into an agreement with the State of California providing for coordinated operation of the San Luis unit, including the joint-use facilities, in order that the State may, without cost to the United States, deliver water in service areas outside the Federal San Luis unit service area as described in the report of the Department of the Interior, entitled "San Luis Unit, Central Valley Project", dated December 17, 1956. Said agreement shall recite that the liability of the United States thereunder is contingent upon the availability of appropriations to carry out its obligations under the same. No funds shall be appropriated to commence construction of the San Luis unit under any such agreement, except for the preparation of designs and specifications and other preliminary work, prior to ninety calendar days (which ninety days, however, shall not include days on which either the House of Representatives or the Senate is not in session because of an adjournment of more than three calendar days to a day certain) after it has been submitted to the Congress, and then only if neither the House nor the Senate Interior and Insular Affairs Committee has disapproved it by committee resolution within said ninety days. If such an agreement has not been executed by January 1, 1962, and if, after consultation with the Governor of the State, the Secretary determines that the prospects of reaching accord on the terms thereof are not reasonably firm, he may proceed to construct and operate the San Luis Unit in accordance with section 1 of this Act: *Provided, That*, if the Secretary so determines, he shall report thereon to the Congress and shall not commence construction for ninety calendar days from the date of his report (which ninety days, however, shall not include days on which either the House of Representatives or the Senate is not in session because of an adjournment of more than three days). In considering the prospects of reaching accord on the terms of the agreement the Secretary shall give substantial weight to any relevant affirmative action theretofore taken by the State, including the enactment of State legislation authorizing the State to acquire and convey to the United States title to lands to be used for the San Luis unit or assistance given by it in financing Federal design and construction of the unit. The authority conferred upon the Secretary by the first sentence of this section shall not, except as is otherwise provided in this section, be construed as a limitation upon the exercise by him of the authority conferred in section 1 of this Act, but if the State shall agree that, if it later enlarges the joint-use facilities, or any of them, it will pay an equitable share of the cost to the United

States of those facilities as initially constructed before utilizing them for the storage or delivery of water and will bear the entire cost of enlarging the same and if, as a part of said equitable share, it makes available to the Secretary sufficient funds to pay the additional cost of designing and constructing the joint-use facilities so as to permit enlargement, it shall have an irrevocable right to enlarge or modify such facilities at any time in the future, and a perpetual right to the use of such additional capacity: *Provided*, That the performance of such work by the State, after approval of its plans by the Secretary, shall be so carried on as not to interfere unduly with the operation of the project for the purposes set forth in section 1 of this Act and the use of the additional capacity for water service shall be limited to service outside of the Federal San Luis unit service area: *And provided further*, That this right may be relinquished by the State at any time at its option.

SEC. 3. [Provisions of agreement with State of California.] The agreement between the United States and the State referred to in Section 2 of this Act shall provide, among other things, that—

(a) the joint-use facilities to be constructed by the Secretary shall be so designed and constructed to such capacities and in such manner as to permit either (i) immediate integration and coordinated operation with the State's water projects by providing, among other things, a capacity in San Luis Reservoir of approximately two million one hundred thousand acre-feet and corresponding capacities in the other joint-use facilities or (ii) such subsequent enlargement or other modification as may be required for integration and coordinated operation therewith:

(b) the State shall make available to the Secretary during the construction period sufficient funds to pay an equitable share of the construction costs of any facilities designed and constructed as provided in paragraph (a) above. The State contribution shall be made in annual installments, each of which bears approximately the same ratio to total expenditures during that year as the total of the State's share bears to the total cost of the facilities; the State may make advances to the United States in order to maintain a timely construction schedule of the joint-use facilities and the works of the San Luis unit to be used by the State and the United States;

(c) the State may at any time after approval of its plans by the Secretary and at its own expense enlarge or modify San Luis Dam and Reservoir and other facilities to be used jointly by the State and the United States, but the performance of such work shall be so carried on as not to interfere unduly with the operation of the San Luis unit for the purposes set forth in section 1 of this Act;

(d) the United States and the State shall each pay annually an equitable share of the operation, maintenance, and replacement costs of the joint-use facilities;

(e) promptly after execution of this agreement between the Secretary and the State, and for the purpose of said agreement, the State shall convey to the United States title to any lands, easements, and rights-of-way which it then owns and which are required for the joint-use facilities. The State shall be given credit for the costs of these lands, easements, and rights-of-way toward its share of the construction cost of the joint-use facilities. The State shall likewise be given credit for any funds advanced by it to the Secretary for preparation of designs and specifications or for any other work in connection with the joint-use facilities;

(f) the rights of the use of capacities of the joint-use facilities of the San Luis unit shall be allocated to the United States and the State, respectively, in such manner as may be mutually agreed upon. The United States shall not be restricted in the exercise of its right so allocated, which shall be sufficient to carry out the purposes of section 1 of this Act and which shall extend throughout the repayment period and so long thereafter as title to the works remains in the United States. The State shall not be restricted in the exercise of its allocated right to the use of the capacities of the joint-use facilities for water service outside the Federal San Luis unit service area;

(g) the Secretary may turn over to the State the care, operation, and maintenance of any works of the San Luis unit which are used jointly by the United States and the State at such time and under such conditions as shall be agreed upon by the Secretary and the State;

(h) notwithstanding transfer of the care, operation, and maintenance of any works to the State, as hereinbefore provided, any organization which has theretofore entered into a contract with the United States under the Reclamation Project Act of 1939, and amendments thereto, for a water supply through the works of the San Luis unit, including joint-use facilities, shall continue to be subject to the same limitations and obligations and to have and to enjoy the same rights which it would have had under its contract with the United States and the provisions of paragraph (4) of section 1 of the Act of July 2, 1956 (70 Stat. 483, 43 U.S.C. 485h-1) in the absence of such transfer, and its enjoyment of such rights shall be without added cost or other detriment arising from such transfer;

(i) If a nonreimbursable allocation to the preservation and propagation of fish and wildlife has been made as provided in section 2 of the Act of August 14, 1946 (60 Stat. 1080, 16 U.S.C. 662), as amended, the features of the unit to which such allocation is attributable shall, notwithstanding transfer of the care, operation, and maintenance of the State, be operated and maintained in such wise as to retain the bases upon which such allocation is premised, and, upon

failure so to operate and maintain those features, the amount allocated thereto shall become a reimbursable cost to be paid by the State;

(j) the State shall not serve any lands within the Federal San Luis unit service area except as such service is required as a consequence of its acceptance of the care, operation, and maintenance of works under paragraph (g) of this section.

SEC. 4. [Federal construction restriction.] If the Secretary proceeds to construct, operate, and maintain the San Luis works under the terms of section 1 of this Act solely as a Federal project, the operation shall be subject to the following restriction: Whenever the chlorides in the water at the head of the Delta-Mendota Canal exceed one hundred and fifty parts per million during the months of July, August, or September, the mean daily diversion from the Sacramento-San Joaquin Delta to San Luis unit via Tracy pumping plant and Delta-Mendota Canal as measured at the San Luis pumping plant shall not exceed the mean daily import to the Sacramento Valley from the Trinity project.

SEC. 5. [Use by others, agreements.] In constructing, operating, and maintaining a drainage system for the San Luis unit, the Secretary is authorized to permit the use thereof by other parties under contracts the terms of which are as nearly similar as is practicable to those required by the Federal reclamation laws in the case of irrigation repayment or service contracts and is further authorized to enter into agreements and participate in construction and operation of drainage facilities designed to serve the general area of which the lands to be served by the San Luis unit are a part, to the extent the works authorized in section 1 of this Act contribute to drainage requirements of said area. The Secretary is also authorized to permit the use of the irrigation facilities of the San Luis unit, including its facilities for supplying pumping energy, under contracts entered into pursuant to section 1 of the Act of February 21, 1911 (36 Stat. 925; 43 U.S.C. 523).

SEC. 6. [Service to other areas.] The Secretary is directed to plan the works authorized in this Act in such a manner as to contemplate and make possible the future provision of Central Valley project service, by way of the Pacheco Tunnel route, to lands and municipalities in Santa Clara, San Benito, Santa Cruz, and Monterey Counties heretofore anticipated as a possibility by the Acts of October 14, 1949 (63 Stat. 852), and August 27, 1958 (72 Stat. 937). Construction of additional works to provide such service shall not be undertaken until a report demonstrating their physical and economic feasibility has been completed, reviewed by the State, and approved by the Secretary, and the works have been authorized by Act of Congress.

SEC. 7. [Recreational facilities.] The Secretary is authorized, in connection with the San Luis unit, to construct minimum basic public recreational facilities and to arrange for the operation and maintenance of the same by the State or an appropriate local agency or organization. The cost of such facilities shall be non-

returnable and nonreimbursable under the Federal reclamation laws.

SEC. 8. [Appropriation authorized.] There is hereby authorized to be appropriated for construction of the works of the San Luis unit, including joint-use facilities, authorized by this Act, other than distribution systems and drains, the sum of \$290,430,000, plus such additional amount, if any, as may be required by reason of changes in costs of construction of the types involved in the San Luis unit as shown by engineering indexes. Said base sum of \$290,430,000 shall, however, be diminished to the extent that the State makes funds or lands or interests in land available to the Secretary pursuant to sections 2 or 3 of this Act which decrease the costs which would be incurred if the works authorized in section 1 of this Act (including provision for their subsequent expansion) were constructed solely as a Federal project. There are also authorized to be appropriated in addition thereto, such amounts as are required (a) for construction of such distribution systems and drains as are not constructed by local interests, but not to exceed in total cost the sum of \$192,650,000, and (b) for operation and maintenance of the unit: *Provided*, That no funds shall be appropriated for construction of distribution systems and drains prior to ninety calendar days (which ninety days, however, shall not include days on which either the House of Representatives or the Senate is not in session because of an adjournment of more than three calendar days to a day certain) after a contract has been submitted to the Congress calling for complete repayment of the distribution systems and drains within a period of forty years from the date such works are placed in service. All moneys received by the Secretary from the State under this Act shall be covered into the same accounts as moneys appropriated hereunder and shall be available, without further appropriation, to carry out the purposes of this Act.

AUBURN-FOLSOM SOUTH UNIT, AMERICAN RIVER DIVISION

U.S. DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., October 31, 1960.

The SECRETARY OF THE INTERIOR.

SIR: This is my proposed report on the Auburn-Folsom South units, American River division, Central Valley project, California. It is based on and includes the accompanying reports of the regional director on these units dated January 29, 1960.¹

The units, which would be integrated physically and financially into the Central Valley project, are located in north-central California. They represent additional stages of the plan to conserve and make more useful the waters of the American River under

¹ Excluded from this publication.

the provisions of the American River Basin Development Act of October 14, 1949 (63 Stat. 852). The Folsom South unit would provide the means to convey water from American River and distribute it for irrigation and municipal use in Sacramento and San Joaquin Counties. The Auburn unit would provide part of the storage capacity necessary to regulate the flows of American River to supply water for the Folsom South unit, as well as for flood control, fish and wildlife, and hydroelectric power generation. The balance of the storage capacity required for the purposes already exists in Folsom Reservoir.

The units are needed to provide a full and supplemental water supply for the full development of a productive area of about 398,100 acres. The Folsom South unit distribution system would furnish supplemental water to about 245,400 acres of irrigated land now threatened by a declining ground-water supply and by saline water intrusion. The units also would provide opportunities for irrigated farming by bringing additional lands under irrigation, and would provide municipal and industrial water for an increasing urban and suburban population. The concern with which the local people view their water situation is evidenced by the formation of county agencies and water districts to contract for new water supplies. Prior to 1948 only some 42,000 acres were in organized districts. Today there are over 400,000 acres in organized districts in addition to the all-inclusive county agencies.

* * *

Since the Bureau's feasibility studies of the Auburn and Folsom South units were completed and the reports thereon were prepared, the Congress has authorized construction of the San Luis unit of the Central Valley project (act of June 3, 1960, Public Law 86-488).¹ Certain features of the San Luis unit, under that act, are to be so designed and built as to serve also as features of the State of California's Feather River project. Some uncertainties remain to be resolved as to physical, financial, economic, and chronologic coordination between the State and Federal projects. Rather than make premature assumptions as to the ultimate solutions to these items, for purposes of this report, the San Luis unit has not been included in the preceding Central Valley project repayment analysis. It is evident, however, in light of the anticipated \$244,567,000 surplus, that full repayment of the Central Valley project, including the Auburn-Folsom South units and the San Luis unit, could be demonstrated. Such analysis will be made as soon as agreement with the State on construction of the joint use features of the San Luis unit has been attained.

* * *

Respectfully,

FLOYD E. DOMINY,
Commissioner.

Approved and adopted December 8, 1960.

FRED A. SEATON,
Secretary of the Interior.

¹ See page 109.

U.S. DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., August 15, 1961.

The SECRETARY OF THE INTERIOR.

SIR: This is my proposed report on the Folsom-Malby and Forest Hill Divide features of the Auburn-Folsom South units, American River division, Central Valley project, California. It is a supplement to my report of June 8, 1961, on the Auburn-Folsom South units, which you approved and adopted as your report on June 12, 1961. It is based on and includes the attached regional director's supplementary reports¹ of August 10, 1961, on the two features.

These features would provide 28,400 acre-feet of water for irrigation and municipal and industrial uses, as well as providing significant flood control, fish and wildlife, and recreation benefits.

The Folsom-Malby feature consists of pumping plants, a 10.8-mile conduit, and the 40,000 acre-foot Carson Creek School Dam and regulating reservoir. They are designed to convey and regulate water pumped from the existing Folsom Lake for municipal and industrial uses in a presently undeveloped area close to the city of Sacramento. The Forest Hill Divide feature consists of the 16,500 acre-foot Sugar Pine Dam and Reservoir on North Shirt-tail Canyon Creek, pipelines, and a small regulating reservoir. This development would permit the expansion of the agricultural and industrial economy of the area between the North and Middle Forks of American River, which has been stifled by a shortage of dependable water supply.

Capital cost of the Folsom-Malby feature, based on April 1961 prices, is estimated at \$11,916,000 and of the Forest Hill Divide feature at \$7,223,000. Included in these costs are \$650,000 for public use and recreation land and facilities for the Folsom-Malby area and \$150,000 for similar facilities for the Forest Hill Divide area. The cost estimate for the Forest Hill Divide feature also includes \$96,000 for an irrigation distribution system. This may be built by the United States or independently by the local interests.

* * *

As explained in my report of June 8, 1961, on the Auburn-Folsom South units, the San Luis unit of the Central Valley project has been added since the reports on the Auburn and Folsom South units were prepared, and a further repayment analysis will be made when final agreement concerning division of costs of San Luis unit joint-use features has been reached with the State of California.

* * *

Respectfully,

FLOYD E. DOMINY,
Commissioner.

Approved and adopted November 2, 1961.

KENNETH HOLUM,
Assistant Secretary of the Interior.

¹ Excluded from this publication.

DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., December 14, 1961.

The SECRETARY OF THE INTERIOR.

SIR: This is a report on a single integrated plan of water resources development for the Auburn-Folsom South unit of the Central Valley project near Sacramento, Calif. The report consolidates two prior proposed reports as follows: The report on the Auburn Dam and Folsom South Canal units approved by the Secretary of the Interior, December 8, 1960, and the report on the Folsom-Malby and Forest Hill Divide features approved by the Assistant Secretary, November 2, 1961.

The plan presented in this consolidated report contemplates additional development and utilization of American River water supplies to extend the Central Valley project and assure maximum benefits to the Nation, the State, and, specifically, the four affected counties on the east side of the Central Valley of California.

The major features of the plan of development are:

Auburn Dam, Reservoir, and powerplant.

Folsom South Canal.

Folsom-Malby conduit.

County Line Dam and Reservoir.

Sugar Pine Dam and Reservoir.

Forest Hill Divide conduit.

The major feature in the plan—Auburn Dam, Reservoir, and powerplant, with a storage capacity of 1 million acre-feet and an installed plant capacity of 155,000 kilowatts—is necessary to further regulate the flow of the American River for irrigation, municipal and industrial water supplies, flood control, fish and wildlife enhancement, recreation, and power generation.

* * *

These features all involve the use of undeveloped water resources of the American River Basin, are complementary to the existing units of the Central Valley project, and will form an integral part of future Central Valley project enlargements. The attached reports¹ demonstrate that the plan is economically justifiable, and that the costs allocated to irrigation, power, and municipal and industrial water supply can be returned to the United States under the same criteria as apply to other units of the Central Valley project.

Copies of the two prior proposed reports were transmitted to the State of California and to the Secretary of the Army for review as required by the Flood Control Act of 1944. In accordance with the Fish and Wildlife Coordination Act, they were also sent to the State of California for the views and recommendations of the head of the agency exercising administration over the wildlife resources of that State. In addition, copies of the proposed report on the Auburn-Folsom South units were sent to the Federal agencies represented on the Interagency Committee on Water Re-

¹ Excluded from this publication.

sources. Comments have been received from all those recipients. Copies of all the letters received are attached to and made a part of this report.¹ All comments are either favorable to the potential developments or offer no objections.

Officials of the State of California recommend that the plan of development be authorized for construction, and further recommend that the detailed recommendations of the department of fish and game be given full consideration in the further planning, final design, and operation of the unit.

The Chief of Engineers, Department of the Army, advises that the proposed development would not conflict with any existing projects or plans of the Corps of Engineers, but suggests certain technical amendments and modification with regard to the design and operation of Auburn Dam and Reservoir. As suggested, the California Debris Commission should retain authority in regard to debris control as provided by the act of March 1, 1893, and the existing debris reservoir and related federally owned facilities that would be inundated by Auburn Reservoir be transferred to the Department of the Interior. Modifications of the design of Auburn Dam and Reservoir, if necessary, can be accommodated in the course of final plan formulation. A copy of our reply to the Chief of Engineers covering these matters is attached to and made a part of this report.¹

Consistent with the President's instructions to you "to take steps to insure that land acquired for the construction of federally financed reservoirs is sufficient to permit future development for recreation purposes," the National Park Service has reconsidered the recreation requirements in the project area. Our proposal for the Auburn Dam and Reservoir includes acquisition of 378 acres of land at a cost of \$107,000, and a total of 1,268 acres dedicated to recreation. The National Park Service now finds that the acquisition of approximately 6,570 acres of private lands in the vicinity of Auburn Reservoir at an estimated cost of \$1,485,000 is justified. The larger acreage would be necessary to realize the maximum recreation benefits and assure the future availability of adequate lands. Since the additional lands involved are on steep slopes above the reservoir, they are primarily of value in relation to the recreational use and setting of the reservoir rather than for agriculture or other use. However, it is suggested that authorization for the purchase of these additional lands and development of the improved facilities be delayed pending further study of the measures necessary to implement the President's instructions.

* * *

I recommend that you approve and adopt this as your report on an integrated plan of development for the Auburn-Folsom South unit, Central Valley project, and that you transmit it, together with the attached comments, to the President and subsequently

¹ Excluded from this publication.

to the Congress, as provided by the Reclamation Project Act of 1939.

Respectfully,

N. B. BENNETT, Jr.,
Acting Commissioner.

Approved and adopted December 15, 1961.

STEWART L. UDALL,
Secretary of the Interior.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., December 15, 1961.

The PRESIDENT,
The White House,
Washington, D.C.

(Through the Bureau of the Budget).

DEAR MR. PRESIDENT: My report on an integrated plan of development for the Auburn-Folsom South unit, Central Valley project, California, is transmitted herewith pursuant to the Reclamation Project Act of 1939 (53 Stat. 1187).

This plan provides for extension of the existing Central Valley project by construction of features to utilize undeveloped water resources of the American River Basin. Regulation of the flows of the North Fork, American River, would require construction of Auburn Dam, Reservoir, and powerplant; two smaller reservoirs; Folsom South Canal; and necessary water and power distribution and transmission facilities. By this plan, irrigation water would be supplied to over 400,000 acres of land, including substantial acreages now completely dry. Water would also be made available for domestic and industrial use to many cities and towns in the area and their expanding suburbs. It is contemplated that additional capacity will be provided in the Folsom South Canal for future service to the east side of the San Joaquin Valley, as proposed in legislation now before the Congress to authorize construction of the unit.

An installation of 155,000 kilowatts of hydroelectric power at Auburn Dam will help to meet the growing power requirements of the Central Valley project and of the preference customers. The storage regulation provided by the reservoirs will afford a greater measure of flood protection to the city of Sacramento and other areas in the American River Basin and delta areas. Substantial opportunities for protection and enhancement of fish and wildlife and for development of recreation will be other benefits of the plan. The unit would be integrated with the Central Valley project both physically and financially, and would make substantial contributions to the overall benefits of the project.

The costs of the proposed development that are allocable to irrigation, municipal and industrial water supply, and hydroelec-

tric power would be reimbursable as required by law. Costs allocable to flood control would be nonreimbursable as provided by law, and those allocable to recreation are considered nonreimbursable in accordance with existing policies. As a result of findings made pursuant to the Fish and Wildlife Coordination Act, all of the costs allocable to fish and wildlife would be nonreimbursable.

The plan of development is economically justified, as demonstrated by a ratio of total benefits to costs in excess of 2 to 1. Using only direct benefits and a 50-year period of analysis, the ratios are in excess of unity for each feature of the plan and the composite ratio would be about 1.6 to 1. As an addition to the Central Valley project, financial feasibility of the plan is assured, since all reimbursable costs of the Central Valley project, including the proposed development, could be repaid within the statutory periods, and a substantial surplus of revenues over costs would accrue.

The proposed development is strongly supported and endorsed by numerous irrigation districts and municipalities in the proposed service area and by officials of the State of California. There should be no difficulty in negotiating contracts for water service and repayment when the plan of development is authorized.

The proposed reports of the Department were transmitted to the State of California and to the interested Federal agencies for review as required by law and interagency agreement. Comments were received from all recipients of the report and are either favorable to the proposed development or offer no objections. Copies¹ of the review comments are attached to the report.

I recommend that the integrated plan of development for the Auburn-Folsom South unit, Central Valley project, California, be authorized for construction as set forth in the attached report. I shall appreciate having advice concerning the relationship of this proposed development to your program before I transmit the report to the Congress for its consideration and appropriate action as provided by the Reclamation Project Act of 1939.

Sincerely yours,

STEWART L. UDALL,
Secretary of the Interior.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., January 10, 1962.

Hon. STEWART L. UDALL,
Secretary of the Interior,
Washington, D.C.

DEAR MR. SECRETARY: This will acknowledge your letter of December 15, 1961, transmitting your report on an integrated

¹ Excluded from this publication.

plan of development for the Auburn-Folsom South unit, Central Valley project, California. You request advice as to the relationship of the proposed development to the program of the President.

The plan for development proposed in your report would provide for multiple-purpose use of waters of the American River through construction of the following individual features:

Auburn unit	\$138,812,000
Folsom South unit:	
Main canal	42,095,000
Distribution system	43,991,000
Forest Hill Divide area:	
Reservoir and conduit	7,127,000
Distribution system	96,000
Folsom-Malby area	11,916,000
Total	\$244,037,000

The Auburn-Folsom South unit will have a total construction cost of \$244,037,000 including the costs of distribution systems which may be built by local interests with private financing or Public Law 130 financing.

Your report contemplates that additional capacity will be provided in the Folsom South Canal for future service to the east side of the San Joaquin Valley. The excess capacity would add \$23,540,000 to the cost shown above for the Folsom South Canal, but it is anticipated that substantial future savings in the construction costs of the East Side division could be realized. We would expect that, prior to starting construction of the Folsom South Canal with the proposed excess capacity, the feasibility of the east side service would be established and a report submitted to Congress under established executive branch procedures.

The major physical features include Auburn Dam, Reservoir, and powerplant; Folsom South Canal; Folsom-Malby conduit, and Sugar Pine Dam and Reservoir. The development will supply irrigation water to about 400,000 acres, provide municipal and industrial water to various communities in the area, and provide hydroelectric power benefits. Additional benefits will be provided by recharge of ground water supplies in the delta area, fish and wildlife protection and enhancement, and recreational development. The benefit-cost ratios, using direct benefits only and a 50-year period of analysis, exceed unity for each feature of the plan and the composite ratio is estimated at about 1.6. The unit will be constructed and operated as an addition to the Central Valley project.

Under the standards used in evaluating the fish and wildlife features of the project, fish and wildlife benefits are estimated to exceed the costs of any specific facilities required for that purpose. We would expect that prior to a request for funds to initiate construction on the Auburn-Folsom South unit, the costs of the project would be reallocated in accordance with the evaluation standards for water resources projects to be established under this administration.

Accordingly, the Bureau of the Budget would have no objection

to the submission of your proposed report to the Congress. No commitment can be made, however, as to when any estimate of appropriation would be submitted for construction of this project, if authorized by Congress, since this would be governed by the President's budgetary objectives as determined by the then prevailing fiscal situation.

Sincerely yours,

ELMER B. STAATS,
Deputy Director.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., January 15, 1962.

Hon. JOHN W. MCCORMACK,
Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: As provided by section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187), there is transmitted herewith my report on the Auburn-Folsom South unit proposing expansion of the Central Valley project in California. The report is also prepared in part in response to directives to the Secretary of the Interior in section 2 of the American River Basin Development Act of October 14, 1949 (63 Stat. 852).

The proposed development is economically justified and has engineering feasibility. The estimated construction cost for this integrated unit is \$267,577,000. These costs include the cost of distribution and drainage systems which may be built by local interests or by the United States. They also include the cost of providing additional capacity in the Folsom South Canal to eventually serve the east side of the San Joaquin Valley farther south, as proposed in legislation pending before the Congress. The ratio of annual benefits to annual costs is 3.25 to 1.

The State of California, numerous organizations, municipalities, and other State agencies have endorsed the plan. Water agencies have been formed to take water from the project. We expect no difficulty in obtaining contracts for any water that is developed.

Because the recommendation for construction of this \$267 million unit comes at a time when we have barely begun construction of the \$400 million San Luis unit on the west side of the San Joaquin Valley, I feel it incumbent upon me to make additional and more detailed statements as to why the Department strongly advocates authorization of the Auburn-Folsom South unit at this time.

The ground water table is dropping in a number of areas along the east side of the Central Valley from the American River to Bakersfield. Delivery of water in the southern part of

the valley through initial features of the Central Valley project has retarded but not stopped the lowering of ground water levels and, in fact, has prevented disaster to the area. However, with the continuing growth of this part of the State, together with the periodic drought conditions that have occurred, it is obvious that the long-range development of this area so vital to the Nation's agricultural production must have additional water.

Experience has shown that on these major projects the lead-time between authorization and delivery of water ranges between 10 to 15 years and sometimes longer. Therefore, if we are to meet heavy water demands predicted for the next decade we must face up now to the problem and authorize works to meet those needs.

I should like to emphasize that this is largely a supplemental water project. Most of the crops grown in the area are crops that are not in surplus. Many of these crops are not grown to any extent elsewhere in the United States and many are of great significance to the Nation's diet. However, should any concern exist relating to our agricultural surpluses, legislation authorizing this project could contain language similar to that used in the San Luis unit authorization (act of June 3, 1960, 74 Stat. 156), which provides that no new land developed shall be used for the production of surplus crops as defined in the Agricultural Act of 1949.

The value of this project for flood control should not be overlooked. The floods on the American River in December 1955 came within inches of inundating valuable properties in the Sacramento metropolitan area, which has a population of about one-half million people. The area was saved because Folsom Dam had just been constructed and was nearly empty. As was reported, "it paid for itself within a few hours." Normal operation of the project will never again create this unique situation where so much storage space was available at Folsom Dam. Therefore, to adequately protect the capital city of California and its fast-growing surrounding area, further flood control is necessary on the American River and will be provided by Auburn Dam.

Of major importance to this populous area are the recreation aspects and the benefits to fish and wildlife conservation to be derived from construction of this unit. Folsom Reservoir had over 2 million visitors in 1960 and over 33,000 in a single day. It is expected that the nearby Auburn Reservoir will command a similar use.

The Auburn-Folsom South unit will also meet the growing demand for municipal and industrial water supplies so important to serve the needs of the expanding population. The part of the construction cost allocated to that purpose will bear interest on the Federal investment.

I should like to point out that for years the California water program has generally recognized that these projects on the east side of the San Joaquin Valley are logical expansions of the

Central Valley project, to serve primarily supplemental agricultural needs. The State of California, recognizing that the Federal Government could not meet all of California's water demands, has within the past year approved a bond issue in the amount of \$1,750 million to pick up the State's share of the burden of supplying adequate water to its cities, suburbs, and agricultural areas.

In conclusion, I wish to emphasize that the project will be necessary to meet the area's water needs without any question. I should also like to reemphasize that the authorization is needed now and to point out that although we strive to prevent any rise in construction costs, the history of water development in California during the past decades has shown conclusively that the sooner the Federal Government makes the investment in necessary storage works such as Auburn Dam, the lower are the construction costs. Moreover, where power production is involved, the sooner the Federal Government is able to use the power now going to waste the earlier we realize a return of revenue from the sale of power to the Federal Treasury. A broad objective look at this entire proposal makes it clear that this unit should be built as soon as possible.

Proposed reports on this unit were transmitted for review to the State of California, to the Secretary of the Army, and to the interested Federal agencies as required by law and inter-agency agreement. Copies of letters of comment received as a result of these reviews are attached to the report.

The report and copies of comments received were submitted to the President for advice as to the relationship of the proposed development to his program. A copy of letter dated January 10, 1962, from the Bureau of the Budget is also attached to the report.

I recommend that construction of the Auburn-Folsom South unit, Central Valley project, California, be authorized as set forth in the report.

Sincerely yours,

STEWART L. UDALL,
Secretary of the Interior.

U.S. DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., April 5, 1963.

The SECRETARY OF THE INTERIOR.

SIR: This is my proposed supplemental report on the Auburn-Folsom South unit, Central Valley project, California. It is based on and includes the accompanying report of the regional director dated March 1963, and the appended reports of the Fish and Wildlife Service and National Park Service. It is supplemental to your report on the Auburn-Folsom South unit, which was transmitted to the Congress on January 15, 1962, and printed

as House Document 305, 87th Congress. Except as specifically modified by this report, the plan of development, data, findings, and recommendations in the January 15, 1962 report are still valid and supportable.

The report now before the Congress (H. Doc. 305) proposes that Auburn Dam and Reservoir be built to a capacity of 1 million acre-feet, that Auburn powerplant have a capacity of 155,000 kilowatts, that the Folsom South Canal be built from Nimbus Reservoir to convey water thence southerly about 67½ miles to the vicinity of Stockton, that water service be provided to the Forest Hill Divide and Folsom-Malby areas, and that the Folsom South Canal be built to sufficient capacity to serve also as a portion of the potential East Side Canal. We now propose to modify that plan in the following respects: (1) enlarge Auburn Dam, Reservoir, and powerplant to provide greater irrigation and municipal water service and to increase the power output; (2) increase the acreage of land to be acquired and the specific facilities for recreation and the service to fish and wildlife, with consequent adjustments of the benefits and cost allocations; and (3) adjust the proposed operating criteria to coordinate with the plans of the Placer County Water Agency and other changed conditions of water use in the American River Basin.

These modifications are considered necessary because of significant changes in the water supply requirements of the American River service area and in recent changes in criteria for water resource project evaluation.

* * *

Respectfully,

FLOYD E. DOMINY,
Commissioner.

Approved and adopted (subject to my memorandum to you of this date) April 25, 1963.

STEWART L. UDALL,
Secretary of the Interior.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., April 25, 1963.

MEMORANDUM

To: Assistant Secretary Holm.

From: Secretary of the Interior.

Subject: Proposed supplemental report on Auburn-Folsom South unit, Central Valley project, California.

I have today approved and adopted the proposed supplemental report of April 5, 1963, on the Auburn-Folsom South unit as submitted by the Commissioner of Reclamation, for the purpose of transmitting it for review as required by the Flood Control

Act of 1944 and by Presidential instructions to the State of California and to the Federal agencies.

My approval of this report is with the qualification that the allocation of joint costs for recreation and fish and wildlife enhancement and the reimbursability of such costs as provided in the report are tentative. The criteria to be followed in establishing the allocation and reimbursability of these costs are now under review. As you know, the Congress is also holding hearings on this question in which the Department is participating.

I also wish to emphasize the fact that as the report clearly shows the Auburn-Folsom South unit is financially feasible without any recreation benefits.

This qualified approval will permit the review of the report without delay pending a final decision by the Congress on the question of recreation and fish and wildlife enhancement allocations and reimbursability.

STEWART L. UDALL.

U.S. DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., October 11, 1963.

The SECRETARY OF THE INTERIOR.

SIR: This is my supplemental report on the Auburn-Folsom South unit, Central Valley project, California. It is based upon and includes my proposed supplemental report of April 5, 1963, which you approved and adopted on April 25, 1963, as your proposed supplemental report.

Copies of your proposed report were sent for review and comment to the State of California, to the Secretary of the Army, and to the other Federal agencies which have an interest in water resource development, in accordance with law and with Presidential instructions. Copies¹ of the comments received are attached.

* * *

None of the comments received from the State or the Federal agencies require significant changes in the plan of development, and no change in the proposed supplemental report is necessary to accommodate those comments.

In approving my proposed report of April 5, 1963, on the Auburn-Folsom South unit on April 23, 1963, you did so with the qualification that the allocation of joint costs to recreation and fish and wildlife enhancement and the recommendations concerning reimbursability of such costs were tentative. The agencies concerned with establishing criteria for the allocation and reimbursability of such costs have given a great deal of study to these matters in the interim, which has resulted in proposals

¹ Excluded from this publication.

for substantial modification of the material presented in my proposed report.

In my proposed report the allocation of joint costs of Auburn Dam and Reservoir to recreation was controlled by the estimated costs of an alternative single-purpose plan for recreation which was considered to produce substantially equivalent recreation opportunities. This alternative consisted of a 1 million acre-foot reservoir at Auburn, a 170,000 acre-foot reservoir on the South Fork of the American River at Sutter, the Placerville-Coloma Highway, and other facilities and was estimated to cost \$168,760,000. Use of this value in the allocation procedure resulted in an allocation of joint costs in the amount of \$80,526,000 to recreation and fish and wildlife for Auburn Reservoir.

Exhaustive studies in recent months by a special task force appointed by the Secretary have led to the conclusion that equivalent recreation values could be realized by less costly alternatives. The problem was to select the least costly alternative plan for single-purpose water oriented recreation providing benefits of reasonably equivalent use and location as would be made available through construction of the multiple-purpose Auburn Dam and Reservoir (about 10 million visitor-days annually). The plan now selected for purposes of cost allocation includes development of facilities on the lower Sacramento River and delta areas, and the Latrobe-Deer Creek Dam and Reservoir No. 3 on Cosumnes River.

The estimated cost of this plan is \$41,767,000. Using this figure in the cost allocation procedure results in an allocation of joint costs to recreation and fish and wildlife enhancement of \$29,494,000 at Auburn Dam and Reservoir.

* * *

There is attached a tabulation showing in more detail the effect of the foregoing modifications on the cost allocations for the Auburn-Folsom South unit and the Central Valley project and the effect on the repayment of Central Valley project costs. The attached tabulation provides data comparable with those in table 10 in my proposed supplemental report.

I recommend that with the above modifications pertaining to the handling of recreation and fish and wildlife costs you approve and adopt this as your supplemental report on the Auburn-Folsom South unit, Central Valley project, and that you transmit it, together with the attached comments, to the President and subsequently to the Congress, as provided by the Reclamation Project Act of 1939.

Respectfully,

FLOYD E. DOMINY,
Commissioner.

Approved and adopted October 11, 1963.

STEWART L. UDALL,
Secretary of the Interior.

Cost allocation and repayment summary

[In thousands of dollars]

	Authorized Central Valley project	Auburn-Folsom South unit	Central Valley project including Auburn-Folsom South unit
Cost allocation:			
Reimbursable:			
Irrigation	687,152	169,880	857,032
Municipal and industrial	52,888	29,446	82,334
Commercial power	356,492	147,776	502,845
Waterfowl conservation	8,159		8,159
Recreation and fish and wildlife enhancement		17,521	17,521
Total reimbursable	1,104,691	364,623	1,467,891
Nonreimbursable:			
Flood control	82,641	9,691	92,332
Navigation	17,154		17,154
Fish and wildlife mitigation	26,654	141	26,795
Recreation and fish and wildlife enhancement	2,504	30,000	32,504
Highway relocation	1,665		1,665
Total nonreimbursable	130,618	39,832	170,450
Deferred use	7,000	23,540	30,540
State share of San Luis unit	237,620		237,620
Total project cost	1,479,929	427,995	1,906,501
Repayment of reimbursable costs:			
Irrigation	606,646		755,754
Commercial power	427,362		582,448
Municipal and industrial	70,683		129,689
Total repayment of Federal costs	1,104,691		1,467,891
Repayment by State of California	237,620		237,620
Total repayment	1,342,311		1,705,511
Interest payments:			
Commercial power	130,184		256,999
Municipal and industrial	34,696		48,796
Total interest payment	164,880		305,795
Indicated surplus:			
Commercial power	498,814		283,426
Municipal and industrial	131,224		171,174
Total indicated surplus	630,038		454,600

NOTE.—Includes \$1,423,000 transferred from base project commercial power to provide for Folsom-Malby area project-use pumping. Costs may be reconciled as follows:

Cost indicated	\$427,995,000
Less: Interest during construction	-15,402,000
Base project power transfer for project pumping	-1,423,000
Official cost estimate	411,170,000

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., October 11, 1963.

The PRESIDENT,
The White House, Washington, D.C.
(Through Bureau of the Budget).

DEAR MR. PRESIDENT: My supplemental report on the Auburn-Folsom South unit, Central Valley project, California, is transmitted herewith pursuant to the Reclamation Project Act of 1939 (53 Stat. 1187). It supplements my report to you of

December 14, 1961,¹ which was transmitted to the Congress on January 15, 1962, and printed as House Document 305, 87th Congress.

The revised plan presented in the enclosed supplemental report expands the plan as previously proposed in House Document 305 by increasing the capacity of Auburn Reservoir from 1 million acre-feet to 2,500,000 acre-feet and by enlarging Auburn powerplant from 150,000 kilowatts to 240,000 kilowatts. It makes provision to utilize more adequately the long-range as well as the immediate recreation and fishery enhancement opportunities that will be created. It proved desirable also to adjust the operating criteria for the unit and for the base Central Valley project to accommodate other agencies' plans for development and use of American River water. In addition, the policies, standards, and procedures for formulation and evaluation of water resources projects which you approved on May 15, 1962, have been applied in the evaluation of the revised plan.

We have given special attention in the preparation of this report to the standards and procedures that should be utilized in making allocations of costs to recreation and fish and wildlife. We have applied for the first time new policies recommended by the administration concerning the extent to which the costs allocated to recreation and fish and wildlife enhancement might properly be deemed in the national interest and therefore be nonreimbursable.

Construction of the features of the Auburn-Folsom South unit as described in the enclosed report is estimated to cost \$411,170,000 at current price levels. Provision for ultimate installation of up to 400,000 kilowatts at Auburn powerplant would involve additional costs of from \$3,500,000 to \$13,500,000, depending upon final design decisions. The revised plan of development is economically justified, as demonstrated by a ratio of total benefits to costs of 3.7 to 1. As an addition to the Central Valley project, financial feasibility of the plan is assured, since all reimbursable costs of the Central Valley project, including the proposed development, could be repaid within the acceptable periods and a substantial surplus of revenues over costs would accrue. This would be true whether or not the Congress receives favorably our recommendation as to the nonreimbursability of a portion of the recreation and fish and wildlife costs.

The proposed supplemental report was transmitted to the State of California and to the interested Federal agencies for review as required by law and your instructions of May 15, 1962. Comments were received from all recipients of the report and are either favorable to the proposed development or offer no objections. Copies of the review comments are attached to the report.

I recommend that the integrated plan of development for the Auburn-Folsom South unit, Central Valley project, California, be authorized for construction as herein set forth. I shall ap-

¹ [Sic.] Report of the Acting Commissioner of Reclamation dated Dec. 14, 1961; approved and adopted by the Secretary of Interior Dec. 15, 1961.

preciate having advice concerning the relationship of this proposed development to your program before I transmit the report to the Congress for its consideration and appropriate action as provided by the Reclamation Project Act of 1939.

Sincerely yours,

STEWART L. UDALL,
Secretary of the Interior.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET.

Washington, D.C., October 18, 1963.

Hon. STEWART L. UDALL,
Secretary of the Interior,
Washington, D.C.

DEAR MR. SECRETARY: This is in reply to your letter of October 11, 1963, transmitting your supplemental report on the Auburn-Folsom South unit, Central Valley project, California. It is our understanding that your report has been revised to apply the policies on cost sharing for recreation and fish and wildlife at water resources projects contained in a draft bill being transmitted to the Congress separately.

Accordingly, there would be no objection to the submission of your report to the Congress. No commitment, however, can be made at this time as to when any estimate of appropriation would be submitted for construction of the project, if authorized by the Congress, since this would be governed by the President's budgetary objectives as determined by the then prevailing fiscal situation.

Sincerely,

KERMIT GORDON,
Director.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., October 21, 1963.

Hon. JOHN W. MCCORMACK,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: As provided by section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187), transmitted herewith is my supplemental report on the Auburn-Folsom South unit, Central Valley project, California. This report supplements my report on this unit which was transmitted to the Congress on January 15, 1962, and which was printed as House Document No. 305, 87th Congress, 2d session.

The supplemental report sets forth our findings, based on continuing studies and changing conditions, as to the modifications that should be adopted in the plan of development and in the financial and economic analyses of the unit. The major changes recommended in the physical plan are the proposed enlargement of Auburn Dam and Reservoir, increase in the initial installed capacity at Auburn powerplant and provision for future increase in powerplant capacity, and the acquisition of sufficient lands for recreation purposes to assure the realization of the large potential benefits from that source.

The proposed development as so modified is economically justified and is engineeringly feasible. The estimated construction cost is \$411,170,000. All costs properly allocable to reimbursable functions can be repaid under the conditions prescribed for Central Valley project units, and the anticipated annual benefits exceed the annual equivalent costs in the ratio of 3.7 to 1.

My proposed supplemental report was reviewed by the State of California, the Secretary of the Army, and the interested Federal agencies, as required by law and Presidential instructions. The report and copies of the comments received were submitted to the President on October 11, 1963. A copy of a letter from the Bureau of the Budget advising that there would be no objection to the submission of this supplemental report to the Congress is enclosed.

I recommend that construction of the Auburn-Folsom South Unit, Central Valley project, California, be authorized.

Sincerely yours,

STEWART L. UDALL,
Secretary of the Interior.

AUBURN-FOLSOM SOUTH UNIT AUTHORIZING ACT

An act to authorize the Secretary of the Interior to construct, operate, and maintain the Auburn-Folsom South unit, American River division, Central Valley project, California, under Federal reclamation laws. (Act of September 2, 1965, 79 Stat. 615, Public Law 89-161.)

SEC. 1. [Construction.] That, for the principal purpose of increasing the supply of water available for irrigation and other beneficial uses in the Central Valley of California, the Secretary of the Interior (hereinafter referred to as the "Secretary"), acting pursuant to the Federal reclamation laws (Act of June 17, 1902; 32 Stat. 388, and Acts amendatory thereof or supplementary thereto), is authorized to construct, operate, and maintain, as an addition to, and an integral part of, the Central Valley project, California, the Auburn-Folsom South unit, American River division. The principal works of the unit shall consist of—

(1) the Auburn Dam and Reservoir with maximum water surface elevation of one thousand one hundred and forty feet

above mean sea level, and capacity of approximately two and one-half million acre-feet;

(2) a hydroelectric powerplant at Auburn Dam with initial installed capacity of approximately two hundred and forty thousand kilowatts and necessary electric transmission system for interconnection with the Central Valley project power system: *Provided*, That provision may be made for the ultimate development of the hydroelectric capacity (now estimated at approximately four hundred thousand kilowatts) and such installation may be made when duly authorized by an Act of Congress: *Provided further*, That no facilities except those required for interconnecting the Auburn powerplant and the Folsom switchyard and those interconnecting the Folsom switchyard and the Elverta substation, shall be constructed for electric transmission or distribution service which the Secretary determines, on the basis of a firm offer of a fifty-year contract from a local public or private agency, can be obtained at less cost to the Federal Government than by construction and operation of Government facilities;

(3) the Sugar Pine Dam and Reservoir;

(4) the County Line Dam and Reservoir;

(5) necessary diversion works, conduits, and other appurtenant works for the delivery of water supplies to projects on the Forest Hill Divide in Placer County and in the Folsom-Malby area in Sacramento and El Dorado Counties;

(6) the Folsom South canal and such related structures, including pumping plants, regulating reservoirs, floodways, channels, levees, and other appurtenant works for the delivery of water as the Secretary determines will best serve the needs of Sacramento and San Joaquin Counties: *Provided*, That the Secretary is authorized to include in such canal and related operating structures such additional works or capacity as he deems necessary and economically justified to provide for the future construction of the East Side division of the Central Valley project, and the incremental costs of providing additional works or capacity in the Folsom South canal to serve the East Side division of the Central Valley project shall be assigned to deferred use for repayment from Central Valley project revenues. In the event that the East Side division is authorized, such costs shall be deemed a part of the cost of that division and shall be reallocated as the Secretary deems right and proper.

SEC. 2. [Project coordination.] Subject to the provisions of this Act, the operation of the Auburn-Folsom South unit, American River division, shall be integrated and coordinated, from both a financial and an operational standpoint, with the operation of other features of the Central Valley project, as presently authorized and as may in the future be authorized by Act of Congress, in such manner as will effectuate the fullest, most beneficial, and most economic utilization of the water resources hereby made

available. Auburn and County Line Dams shall be operated for flood control in accordance with criteria established by the Secretary of the Army as provided for in section 7 of the Flood Control Act of 1944 (58 Stat. 887; 33 U.S.C. 709).

SEC. 3. (a) [Outdoor recreation and fish and wildlife facilities.] Subject to the provisions of subsections (b), (c), (d), and (e) of this section, the Secretary is authorized in connection with the Auburn-Folsom South unit (i) to construct, operate, and maintain or provide for the construction, operation, and maintenance of public outdoor recreation and fish and wildlife enhancement facilities, (ii) to acquire or otherwise to include within the unit area such adjacent lands or interests in land as are necessary for present or future public recreation or fish and wildlife use, (iii) to allocate water and reservoir capacity to recreation and fish and wildlife enhancement, and (iv) to provide for the public use and enjoyment of unit lands, facilities, and water areas in a manner coordinated with other unit purposes. The Secretary is further authorized to enter into agreements with Federal agencies or State or local public bodies for the operation, maintenance, and replacement of unit facilities, and to transfer unit lands or facilities to Federal agencies or State or local public bodies by lease or exchange, upon such terms and conditions as will best promote the development and operation of such lands or facilities in the public interest for recreation and fish and wildlife enhancement purposes.

(b) **[Nonreimbursable costs].** Costs of recreation facilities at Sugar Pine Reservoir shall be nonreimbursable, and the provisions of subsections (c), (d), and (e) of this section shall not be applicable to such facilities.

(c) (1) If, before commencement of construction of the unit, non-Federal public bodies agree to administer unit land and water areas for recreation or fish and wildlife enhancement or for both of these purposes pursuant to the plan for the development of the unit approved by the Secretary and to bear not less than one-half the separable costs of the unit allocated to either or both of said purposes, as the case may be, and all the costs of operation, maintenance, and replacement incurred in connection therewith, the remainder of the separable capital costs so allocated shall be nonreimbursable.

(2) In the absence of such a preconstruction agreement recreation and fish and wildlife enhancement facilities (other than minimum facilities for the public health and safety at reservoir access points) shall not be provided, and the allocation of unit costs shall reflect only the number of visitor days and the value per visitor day estimated to result from such diminished recreation development without reference to lands which may be provided pursuant to subsection (e) of this section.

(d) **[Non-Federal share of costs.]** The non-Federal share of the separable capital costs of the unit allocated to recreation and fish and wildlife enhancement shall be borne by non-Federal interests, under either or both of the following methods as may be deter-

mined appropriate by the Secretary: (i) payment, or provision of lands, interests therein, or facilities for the unit; or (ii) repayment, with interest, within fifty years of first use of unit recreation or fish and wildlife enhancement facilities: *Provided*, That the source of repayment may be limited to entrance and user fees or charges collected at the unit by non-Federal interests if the fee schedule and the portion of fees dedicated to repayment are established on a basis calculated to achieve repayment as aforesaid and are made subject to review and renegotiation at intervals of not more than five years.

(e) [**Acquisition of land.**] Notwithstanding the absence of pre-construction agreements as specified in subsection (c) of this section lands may be acquired in connection with construction of the unit to preserve its recreation potential, its fish and wildlife enhancement potential, or both.

(1) [**Recreation and Fish and Wildlife enhancement.**] If non-Federal public bodies agree within ten years after initial unit operation to administer unit land and water areas for recreation and fish and wildlife enhancement pursuant to the plan for development of the unit approved by the Secretary and to bear not less than one-half the costs of land acquired therefor pursuant to this subsection and facilities and project modifications provided for those purposes and all costs of operation, maintenance, and replacement incurred therefor, the remainder of the costs of such lands, facilities, and project modifications shall be nonreimbursable. Such agreement and subsequent development shall not be the basis for any allocation of joint costs of the unit to recreation or fish and wildlife enhancement.

(2) [**Utilization of lands.**] If, within ten years after initial operation of the unit, there is not an executed agreement as specified in paragraph (1) of this subsection, the Secretary may utilize the lands for any lawful purpose within the jurisdiction of the Department of the Interior, or may transfer custody of the lands to another Federal agency for use for any lawful purpose within the jurisdiction of that agency, or may lease the lands to a non-Federal public body, or may transfer the lands to the Administrator of General Services for disposition in accordance with the surplus property laws of the United States. In no case shall the lands be used or made available for use for any purpose in conflict with the purposes for which the project was constructed, and in every case preference shall be given to uses which will preserve and promote the recreation and fish and wildlife enhancement potential of the project or, in the absence thereof, will not detract from that potential.

(f) Subject to the limitations hereinbefore stated, joint capital costs allocated to recreation and fish and wildlife enhancement shall be nonreimbursable.

(g) Costs of means and measures to prevent loss of and damage to fish and wildlife shall be treated as unit costs and allocated among all unit purposes.

(h) As used in this Act, the term "nonreimbursable" shall not

be construed to prohibit the imposition of entrance, admission, and other recreation user fees or charges.

SEC. 4. [**Local interests.**] In locating and designing the works and facilities authorized for construction by this Act, and in acquiring or withdrawing any lands as authorized by this Act, the Secretary shall give due consideration to the reports upon the California water plan prepared by the State of California, and shall consult the local interests who may be affected by the construction and operation of said works and facilities or by the acquisition or withdrawal of lands, through public hearings or in such manner as in his discretion may be found best suited to a maximum expression of the views of such local interests.

SEC. 5. [**Allocation of water, limitation.**] Nothing contained in this Act shall be construed by implication or otherwise as an allocation of water, and in the studies for the purposes of developing plans for disposal of water as herein authorized the Secretary shall make recommendations for the use of water in accord with State water laws, including but not limited to such laws giving priority to the counties and areas of origin for present and future needs.

SEC. 6. [**Appropriation authorized.**] There is hereby authorized to be appropriated for construction of the Auburn-Folsom South unit, American River division, the sum of \$425,000,000 (1965 prices), plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indexes applicable to the types of construction involved herein. There are also authorized to be appropriated such additional sums as may be required for operation and maintenance of the project.

SACRAMENTO RIVER DIVISION

SACRAMENTO VALLEY IRRIGATION CANALS TEHAMA-COLUSA CANAL CAPACITY INCREASE¹

An act to amend the Act of September 26, 1950, authorizing the Sacramento Valley irrigation canals, Central Valley project, California, in order to increase the capacity of certain project features for future irrigation of additional lands. (Act of August 19, 1967, 81 Stat. 167, Public Law 90-65.)

That section 2 of the Act entitled "An Act to authorize Sacramento Valley irrigation canals, Central Valley project, California," approved September 26, 1950 (64 Stat. 1036) is amended by adding to the first paragraph of that section the following: "Notwithstanding the provisions of section 5 of this Act, the Secretary of the Interior is authorized to provide sufficient extra capacity and elevation in the Tehama-Colusa Canal to enable future

¹ See authorizing act in 1957 edition, page 253.

water service to Yolo, Solano, Lake, and Napa Counties for irrigation and other purposes, and to treat the cost of providing such extra capacity as a deferred obligation. The deferred obligation is to be paid under arrangements to be made at such time as the works to serve the additional areas may be authorized as an extension of the Central Valley project. In the event such works are not authorized, the deferred obligation is to be paid from other revenues of the Central Valley project."

SAN FELIPE DIVISION

U.S. DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., November 2, 1964.

The SECRETARY OF THE INTERIOR.

SIR: This is my proposed report on the San Felipe division, Central Valley project, California. It is based upon and includes the accompanying report¹ of the regional director, Sacramento, Calif., dated March 1964, and appended reports¹ of the Fish and Wildlife Service and the National Park Service of the Department of the Interior and the Public Health Service of the Department of Health, Education, and Welfare.

The San Felipe division is designed to provide water supplies for portions of four counties—Santa Clara, San Benito, Santa Cruz, and Monterey—on the west slope of the coast range in central California. The project service area covers portions of the valley of the Pajaro River and its tributaries and the Santa Clara Valley. The combined area with which this report is concerned contains some 448,000 acres, of which about 107,000 acres are considered as irrigable.

The plan of development encompasses a multiple-purpose addition to the Central Valley project, and benefits will accrue through irrigation, municipal and industrial water supplies, fish and wildlife conservation and development, recreation, and area redevelopment. There appear to be no economic opportunities for hydroelectric power generation or for flood control in connection with the division.

The project area is rapidly expanding in population and in water requirements for agriculture and other purposes. Natural surface water sources are fully developed and expanded pumping of ground water now exceeds the natural recharge resulting in declining ground-water tables and deteriorating water quality. Santa Clara County has contracted with the State for water from the South Bay aqueduct of the California water plan for municipal water use, but this supply will not be adequate for the county's

¹ Excluded from this publication.

long-range municipal water needs, nor can it be applied to meet the municipal and irrigation water requirements of the other areas within the San Felipe division.

* * *

Local interest in the construction of the San Felipe division is and has been intense and active, as evidenced by the contributions of the Santa Clara-Alameda-San Benito (Tri-County) Water Authority toward the costs of the investigation to date and the legislative activity which resulted in provisions of the American River Development Act of October 14, 1949 (Public Law 356, 81st Cong.), and the San Luis Unit Act of June 3, 1960 (Public Law 86-488), regarding further studies and service contemplated from those developments to the division. The local interests are currently engaged in organizing an agency which would be qualified to contract with the United States for construction of the San Felipe division under reclamation law. If the division is authorized, no difficulty in negotiating a repayment contract is anticipated. Landownership in the service areas is generally in small tracts. The few private ownerships which include excess irrigable lands will be required to conform with the provisions of reclamation law if they are to receive project service.

The San Felipe division is engineeringly feasible and economically justified. Based on a 100-year period of analysis and 3-percent interest the ratio of benefits to costs is estimated to be 2.97 to 1. The social and economic impacts of such a development upon the locality and the Nation far surpass these computed benefits.

Therefore, with the deletion of the nonreimbursable allocation to area redevelopment, as discussed herein, I concur in the recommendations of the regional director as set forth on page 53 of his report.¹

I recommend that you approve and adopt this report as your proposed report on the San Felipe division, Central Valley project, California, and that you authorize me in your behalf to transmit copies to the State of California, to the Secretary of the Army, and to the other interested Federal agencies for review as required by the Flood Control Act of 1944 (58 Stat. 887), the Fish and Wildlife Coordination Act (48 Stat. 401, as amended), and procedures approved by the President on May 15, 1962 (S. Doc. 97, 87th Cong.).

Respectfully,

WILBUR P. KANE,
Acting Commissioner.

Approved and adopted December 3, 1964.

STEWART L. UDALL,
Secretary of the Interior.

¹ Excluded from this publication.

U.S. DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., July 5, 1966.

The SECRETARY OF THE INTERIOR.

SIR: This is my report on the San Felipe division, Central Valley project, California. It is based on and includes our proposed report of November 2, 1964, which you approved and adopted on December 3, 1964.

Copies of the proposed report were transmitted on December 9, 1964, to the State of California and to the Secretary of the Army for review as required by the Flood Control Act of 1944 and the Fish and Wildlife Coordination Act. Copies of the report were also sent to interested Federal agencies for review in accordance with procedures approved by the President on May 15, 1962. Copies¹ of the comments received are attached to and made a part of this report.

The views and recommendations of the State of California were transmitted by the Administrator of Resources. The State concludes that the San Felipe division is in conformance with the California water plan and is economically justified and recommends that the division be authorized for construction, provided negotiations for the use of the State's facilities are satisfactorily concluded. We anticipate no difficulties in arriving at a satisfactory agreement with the State regarding the use of the California aqueduct to transport water needed for this development. Such an agreement, as well as the coordination of our activities with other State agencies, as suggested in the detailed comments transmitted with the Administrator's letter, can be completed during the advance planning following authorization of construction of the division.

In its comments, the California Department of Water Resources recommends that congressional authorization be sought to provide for installation of recreation facilities at eight existing non-Federal reservoirs and streams whose water surfaces would be enhanced by the proposed development. During the project formulation studies, consideration was given to the provision of water to north Santa Clara County and the acquisition of land to enhance the recreation potential of existing non-Federal reservoirs and streams. Although substantial benefits would accrue and such recreation opportunities are undoubtedly needed, it was concluded that provision of land and recreation facilities at the non-Federal reservoirs and streams would be only of local significance and should not be a responsibility of the Federal Government. The benefits claimed in our report, therefore, are only that portion of the possible total recreation benefits assignable to the provision of a water supply for this purpose. Additional potential benefits remain unclaimed to justify non-Federal acquisition of lands and construction of recreation facilities.

The Chief of Engineers, Department of the Army, advises that there would be no conflict between our proposed plan and any

¹ Excluded from this publication.

current Corps of Engineers project. He offers to inform us of the findings of the corps current studies of the Pajaro River Basin so that any indicated modifications of our proposed plan necessary to conform it to overall multiple-purpose needs of the area may be adopted.

The comments of the other agencies are favorable to or express no objection to the proposed plan of development. Suggested improvements or modifications of certain technical or related details of the proposed plan of development will be considered and can be accommodated as desirable or necessary during advance planning and preconstruction activities following authorization of construction.

The plan of development in our proposed report of November 2, 1964, was reanalyzed in May 1965 to reflect current policies and procedures for allocation and repayment of Central Valley project costs, for cost sharing of recreation and fish and wildlife enhancement facilities, and for use of then current interest rates.

The justification statements used in support of our budget requests for fiscal year 1966 reflect a change in Central Valley project cost allocation and repayment presentations. We have discontinued the previous practice of adjusting the cost allocations to reflect the payment of operation and maintenance costs of nonreimbursable functions from revenues of the reimbursable functions. Although it is simply a change in accounting, which has no net effect on Federal costs, the apparent cost allocations to reimbursable functions are increased and those to nonreimbursable functions are decreased.

Our proposed report treated the allocations of costs to recreation and fish and wildlife enhancement and the requirements for non-Federal participation in such costs in accordance with the policies and procedures then in effect, being those set forth in H.R. 9032, 88th Congress. Under provisions of the subsequently enacted Federal Water Project Recreation Act (S. 1229, 89th Cong.) all joint costs and one-half of the separable costs allocated to recreation and fish and wildlife enhancement would be non-reimbursable, the other half of the separable costs and all of the operation, maintenance, and replacement costs allocated to those purposes being reimbursable by a non-Federal public body.

The interest rate used in the May 1965 reanalysis for repayment of the costs of the San Felipe division allocated to municipal and industrial water supply was $3\frac{1}{8}$ percent, compared with 3 percent used in our proposed report. Use of the current interest rate, based on the formula prescribed in the Water Supply Act of 1958 (72 Stat. 319), would not significantly affect the reanalysis.

The effects on the economic and financial analyses of the San Felipe division, by applying the foregoing modifications in policies and procedures in the May 1965 reanalyses, are as follows. The construction cost estimate used in the regional director's report, based on October 1961 prices (\$70,887,000), was not changed. Investment costs include the construction cost, the commercial power adjustment of the base Central Valley project (\$16,635,-

000), and interest during construction on reimbursable costs for municipal and industrial water supply, recreation, and fish and wildlife enhancement (\$2,309,000). The investment cost thus derived is \$89,831,000, and the addition of the estimated cost of \$18,138,000 for distribution systems gives a total division cost of \$107,969,000. This includes an estimated \$7,000,000 for the authorized portion of the Pacheco tunnel, which is now under construction. The future Federal appropriations required for construction of the division works and distributed system would total about \$82,025,000. The evaluated benefit-cost ratio increases from 2.97 to 1 to 3.27 to 1. A summary tabulation which provides a comparison of the regional director's report, our proposed report, and the May 1965 reanalysis is attached.¹

As presented in our proposed report, the development of the San Felipe division would result in improved or new irrigation water supplies to the several subareas which constitute the division. Such supplies would be available to water users through surface delivery, ground water pumping, or possibly through combinations of those two methods. The determination as to which lands will be subject to the acreage limitation provisions of reclamation law will be based on the extent to which project water results in tangible enhancement of preproject conditions.

In all circumstances where the benefits are such that the acreage limitation provisions of reclamation law are applicable, we propose to employ excess land appraisal and recordable contracting procedures which institute some modifications over those heretofore generally employed, especially in the Central Valley project. The salient points are as follows:

1. All excess land within the San Felipe division will be appraised as soon as possible after the implementing water service or repayment contract has been executed, preferably before construction is undertaken and, in any event, prior to its completion and initial water service.

2. The value of the excess land, without consideration to the construction of the division works, as approved by the Secretary on the basis of such appraisals, will thereafter remain controlling and be so referenced in recordable contracts when executed. Subsequent adjustments in that price will be made only to the extent supported by recognized marketing indexes for comparable lands or to the extent necessary to properly reflect the value of improvements on the lands.

3. Recordable contracts will incorporate a requirement for stage disposition of excess lands, within a 10-year period, in predetermined proportionate amounts of the total with exclusive power of sale progressively vesting in the Secretary to dispose of any tracts remaining in the ownership of the large landowner at the conclusion of each period for proportionate disposition.

4. Recordable contracts will also provide that when power of sale vests in the Secretary he will dispose of the lands in

¹ Excluded from this publication.

question at public sale to the highest offer made by a qualified purchaser at not to exceed the approved price.

On the basis of preliminary reconnaissance examination prior to the recent decision to invoke the modified recordable contracting procedures, it appeared that there were slightly less than 18,000 acres of excess lands in the total area comprising the San Felipe division. This would amount to approximately 10 percent of the total service area.

Our proposed report of November 2, 1964, and the accompanying regional director's report,¹ are hereby modified to reflect the changes in economic and financial analyses described above and summarized in the attached tabulations and to incorporate the proposed excess land appraisal and recordable contracting procedures.

The estimates and forecasts of water supplies and requirements in the regional director's report attached to our proposed report were made prior to 1960 and reflected the best information available at that time. In the interim, however, the rate of population growth and water use, especially in the north Santa Clara Valley area, has substantially exceeded our expectations. It now appears that the forecasts in the report for population and water use in 1970 will be exceeded in 1967. Further information has also been obtained regarding the use of underground water and the quantities of water which may be imported to the area through non-Federal facilities. Present use of ground water substantially exceeds natural and artificial recharge capacities, resulting in receding ground-water levels (far below sea level in some areas), serious and accelerating land subsidence, and intrusion of saline water from the San Francisco Bay.

Contracts have been signed by the local interests with the State of California for delivery of up to 100,000 acre-feet of water annually through the South Bay aqueduct of the California State water project. This supply will satisfy the immediate requirements of north Santa Clara Valley. However, it is the forecast that by 1977 an additional source of water supply will be needed if adequate water supplies are to be available to meet demands and the San Felipe division should be built and ready for operation by that date.

The table ¹ which follows lists the forecast water requirements and supplies for north Santa Clara County, based on full utilization of the physical capabilities of the existing import systems. By interpolation, the table demonstrates that, assuming the annual overdraft on the ground-water aquifer is to be discontinued, as it soon must be, the projected requirements will fully utilize the maximum capacity of existing facilities by 1977 and that the San Felipe division should be completed by the end of 1976.

* * *

In view of the 7-year construction period required, authorization of the division should be sought immediately. The other three

¹ Excluded from this publication.

sections of the division service area now are restricted in agricultural and industrial growth due to water shortages and need additional water at the earliest possible date.

The potential use of reclaimed sewage has been suggested as a source of ground-water recharge. The nature of the raw sewage, being a mixture of industrial and domestic wastes, would make complete treatment expensive and difficult. Separation of the more easily treated wastes would require extensive modification of the existing collection and treatment system. However, the potentials for reclaiming waste waters should be further studied during advance planning activities. Should a practical plan to accomplish this prove feasible, it would delay the need for water imports into the north Santa Clara area by only a few years.

The effect of the more rapid growth rate in water use, as compared with our proposed report, will be to advance the schedule of water sales from the division and increase the quantity sold for municipal and industrial use. As a result, the financial feasibility of the division will be enhanced. The current interest rate for repayment purposes, being slightly higher than that used in reanalysis, would partially offset the beneficial effect of more rapid development. These factors are not reflected in the attached tabulations. Their use, however, would somewhat enhance the feasibility and justification of this highly desirable Federal investment.

Attached is a copy of letter ¹ dated May 3, 1966, from the Board of Directors, County of San Benito, expressing its intent to agree to administer the land and water areas for recreation and fish and wildlife enhancement and to share in the costs thereof pursuant to the Federal Water Project Recreation Act. The execution of such an agreement would be a prerequisite to construction of the facilities.

I recommend that you approve and adopt this report as your report on the San Felipe Division, Central Valley project, California, and that you transmit it, together with the supporting documents, to the President and subsequently to the Congress in accordance with the Reclamation Project Act of 1939.

Respectfully,

FLOYD E. DOMINY,
Commissioner.

Approved and adopted September 2, 1966.

STEWART L. UDALL,
Secretary of the Interior.

¹ Excluded from this publication.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., September 2, 1966.

The PRESIDENT,
The White House, Washington, D.C.
(Through the Bureau of the Budget).

DEAR MR. PRESIDENT: My report on the San Felipe division, Central Valley project, California, is transmitted herewith pursuant to section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187) and section III-E-3 of the procedures approved by the President on May 15, 1962 (S. Doc. 97, 87th Cong).

The San Felipe division is a multiple-purpose proposal designed to provide supplemental water supplies for irrigation and municipal and industrial uses to a four-county area in central California. It would utilize waters provided by the Central Valley project, which will be delivered from the San Luis Reservoir, now under construction, through a tunnel in the coast range, to areas in the Pajaro River drainage and north Santa Clara County. In addition, recreation opportunities would be increased, fish and wildlife resources in the area would be enhanced, and unemployment problems would be eased by construction and operation of division facilities. The estimated construction cost of the division is \$70,887,000 (October 1961 prices). The evaluated benefit-cost ratio is 3.27 to 1.

The report and its accompanying documents demonstrate that the San Felipe division is engineeringly feasible and economically justified. It is urgently needed and desired by the municipalities and irrigation water users.

My proposed report was transmitted to the State of California and to the interested Federal agencies for review, as required by law and the procedures approved by the President on May 15, 1962. None of the comments received are in opposition to the proposal. Copies of the comments received are attached to the report.

The report has been modified to reflect the provisions of the Federal Water Project Recreation Act.

I recommend that the San Felipe division, Central Valley project California, be authorized for construction as presented in the enclosed report. I shall appreciate your advice concerning the relationship of the San Felipe division to your program before the report is transmitted to the Congress for its consideration and appropriate action as provided by the Reclamation Project Act of 1939.

Sincerely yours,

STEWART L. UDALL,
Secretary of the Interior.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., September 14, 1966.

Hon. STEWART L. UDALL,
Secretary of the Interior,
Washington, D.C.

DEAR MR. SECRETARY: This is in reply to your letter of September 2, 1966, transmitting your report on the San Felipe division, Central Valley project, California, and requesting advice as to the relationship of the proposal to the program of the President.

Your proposed plan would provide supplemental water for irrigation and municipal and industrial uses to a four-county area in central California. In addition, the project would develop recreation, fish and wildlife enhancement, and area redevelopment benefits. The estimated construction cost of the division is \$70,887,000, excluding \$19,138,000 distribution system costs. The ratio of direct benefits to costs is about 2.4 to 1; and considering all benefits the ratio is 3.27 to 1.

We have a question concerning the timing of the proposed project. Project water will not be needed in the northern part of the service area until about 1977. Over one-half of the division's water deliveries is for the northern portion, and the remaining deliveries will be mostly for irrigation purposes including the irrigation of lands not previously irrigated. Therefore, initiation of construction may not be warranted until about 1970. If the project is authorized, we would expect the Department to review the timing of project initiation.

I am authorized by the Director of the Bureau of the Budget to advise you that there would be no objection to the submission of the report to the Congress from the standpoint of the administration's program. However, no commitment can be made at this time as to when any estimate of appropriation would be submitted for the construction of the San Felipe division, if authorized by the Congress, since this would be governed by the President's budgetary objectives as determined by the then prevailing fiscal situation.

Sincerely yours,

CARL H. SCHWARTZ, Jr.,
Chief, Resources and Civil Works Division.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., September 26, 1966.

Hon. JOHN W. MCCORMACK,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: The report of the Secretary of the Interior on the San Felipe division, Central Valley project, California,

is transmitted herewith as provided by section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187).

The report presents a plan of development for a multiple-purpose project involving construction of conveyance and distribution works to deliver irrigation, municipal and industrial water supply to Santa Clara, San Benito, Santa Cruz and Monterey Counties. The project would also provide fish and wildlife and recreation benefits. The project is engineeringly feasible and economically justified.

The Secretary's proposed report on this project was transmitted to the affected States and interested Federal agencies for review as required by law and Presidential instructions. Comments received as a result of this review are attached to the report.

The report and copies of the comments received were submitted to the President on September 6, 1966. Enclosed is a copy of letter dated September 14, 1966, from the Chief, Resources and Civil Works Division, Bureau of the Budget, which states that there would be no objection to the submission of this report to the Congress.

It is recommended that construction of the San Felipe division, Central Valley project, California, be authorized as set forth in the attached report.

Sincerely yours,

CHARLES F. LUCE,
Under Secretary of the Interior.

SAN FELIPE AUTHORIZING ACT

An act to authorize the Secretary of the Interior to construct, operate, and maintain the San Felipe division, Central Valley project, California, and for other purposes. (Act of August 27, 1967, 81 Stat. 173, Public Law 90-72.)

SEC. 1. [San Felipe division. Authorization.] That, for the purposes of providing irrigation and municipal and industrial water supplies, conserving and developing fish and wildlife resources, enhancing outdoor recreation opportunities and other related purposes, the Secretary of the Interior acting pursuant to the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto), is authorized to construct, operate, and maintain, as an addition to, and an integral part of, the Central Valley project, California, the San Felipe division. The principal works of the division shall consist of the Pacheco tunnel, pumping plants, power transmission facilities, canals, pipelines, regulating reservoirs, and distribution facilities. No facilities shall be constructed for electric transmission and distribution service which the Secretary determines, on the basis of an offer of a firm fifty-year contract from a local public or private agency, can through such a con-

tract be obtained at less cost to the Federal Government than by construction and operation of Government facilities.

SEC. 2. [Fish and wildlife resources and recreation.] The conservation and development of the fish and wildlife resources and the enhancement of recreation opportunities in connection with the San Felipe division shall be in accordance with the provisions of the Federal Water Project Recreation Act (79 Stat. 213).

SEC. 3. [Water delivery.] The Secretary may contract with the State of California for the delivery through facilities of the State water project to the San Luis forebay reservoir of all or any part of the water of the Central Valley project assigned to the San Felipe division.

SEC. 4. [Local interests.] In locating and designing the works and facilities authorized for construction by this Act, and in acquiring or withdrawing any lands as authorized by this Act, the Secretary shall give due consideration to reports prepared by the State of California on the California water plan, and shall consult with local interests who may be affected by the construction and operation of said works and facilities or by the acquisition or withdrawal of lands, through public hearings or in such manner as in his discretion may be found best suited to a maximum expression of the views of such local interests.

SEC. 5. In view of the special circumstances of the San Felipe division, neither the provisions of the third sentence of section 46 of the Act of May 25, 1926 (44 Stat. 636, 649) nor any other similar provision of the Federal reclamation laws shall be applicable in the south and north Santa Clara subareas so long as the water utilized on project lands is acquired by pumping from the underground reservoir.

SEC. 6. [Limitation.] For a period of ten years from the date of enactment of this Act, no water from the project authorized by this Act shall be delivered to any water user for the production on newly irrigated lands of any basic agricultural commodity, as defined in the Agricultural Act of 1949, or any amendment thereof, if the total supply of such commodity for the marketing year in which the bulk of the crop would normally be marketed is in excess of the normal supply as defined in section 301(b) (10) of the Agricultural Adjustment Act of 1938, as amended, unless the Secretary of Agriculture calls for an increase in production of such commodity in the interest of national security.

SEC. 7. [Appropriation authorized.] There are hereby authorized to be appropriated for construction of the new works involved in the San Felipe division \$92,380,000 (October 1966 prices), plus or minus such amounts, if any, as may be required by reason of changes in the cost of construction work of the types involved therein as shown by engineering cost indexes and, in addition thereto, such sums as may be required to operate and maintain said division.

CORPS OF ENGINEERS RESERVOIRS

FLOOD CONTROL ACT OF 1962

[Extracts from] An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes. (Act of October 23, 1962, 76 Stat. 1173, 1191, Public Law 87-874.)

New Melones Project.—The New Melones project, Stanislaus River, California, authorized by the Flood Control Act approved December 22, 1944 (58 Stat. 887), is hereby modified substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 453, Eighty-seventh Congress, at an estimated cost of \$113,717,000: *Provided*, That upon completion of construction of the dam and powerplant by the Corps of Engineers, the project shall become an integral part of the Central Valley project and be operated and maintained by the Secretary of the Interior pursuant to the Federal reclamation laws, except that the flood control operation of the project shall be in accordance with the rules and regulations prescribed by the Secretary of the Army: *Provided further*, That the Stanislaus River Channel, from Goodwin Dam to the San Joaquin River, shall be maintained by the Secretary of the Army to a capacity of at least eight thousand cubic feet per second subject to the condition that responsible local interests agree to maintain private levees and to prevent encroachment on the existing channel and floodway between the levees: *Provided further*, That before initiating any diversions of water from the Stanislaus River Basin in connection with the operation of the Central Valley project, the Secretary of the Interior shall determine the quantity of water required to satisfy all existing and anticipated future needs within that basin and the diversions shall at all times be subordinate to the quantities so determined: *Provided further*, That the Secretary of the Army adopt appropriate measures to insure the preservation and propagation of fish and wildlife in the New Melones project and shall allocate to the preservation and propagation of fish and wildlife, as provided in the Act of August 14, 1946 (60 Stat. 1080), an appropriate share of the cost of constructing the Stanislaus River diversion and of operating and maintaining the same: *Provided further*, That the Secretary of the Army, in connection with the New Melones project, construct basic public recreation facilities, acquire land necessary for that purpose, the cost of constructing such facilities and acquiring such lands to be nonreimbursable and nonreturnable: *Provided further*, That contracts for the sale and delivery of the additional electric energy available from the Central Valley project power system as a result of the construction of the plants herein authorized and their integration with that system shall be made in accordance with preferences expressed in the Federal reclamation laws except that a first pre-

ference, to the extent as needed and as fixed by the Secretary of the Interior, but not to exceed 25 per centum of such additional energy, shall be given, under reclamation law, to preference customers in Tuolumne and Calaveras Counties, California, for use in that county, who are ready, able, and willing, within twelve months after notice of availability by the Secretary of the Interior, to enter into contracts for the energy and that Tuolumne and Calaveras County preference customers may exercise their option in the same date in each successive fifth year providing written notice of their intention to use the energy is given to the Secretary not less than eighteen months prior to said dates: *And provided further*, That the Secretary of the Army give consideration during the preconstruction planning for the New Melones project to the advisability of including storage for the regulation of streamflow for the purpose of downstream water quality control.

Hidden Reservoir.—The Hidden Reservoir, Fresno River, California, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document Numbered 37, Eighty-seventh Congress, at an estimated cost of \$14,338,000.

Buchanan Reservoir.—The Buchanan Reservoir, Chowchilla River, California, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document Numbered 98, Eighty-seventh Congress, at an estimated cost of \$13,585,000.

* * *

HIDDEN RESERVOIR, FRESNO RIVER BASIN, CALIF.

[Extract from S. Doc. 37, 87th Cong.]

(1) Prior to construction of the dam and reservoir for irrigation, Secretary of the Interior make necessary arrangements for repayment of that part of the construction cost and annual operation and maintenance cost allocated to irrigation, presently estimated at \$3,698,000 and \$17,000, respectively, such repayment to be financially integrated into the Central Valley project of the Bureau of Reclamation. (2) Insofar as compatible with law and overall project requirements: *a.* After authorization, such reasonable modifications be made in project facilities and operation as may be found justified by the Commissioner of the U.S. Fish and Wildlife Service and agreed upon by the Chief of Engineers; and *b.* The Chief of Engineers operate the dam and reservoir for irrigation in accordance with regulations prescribed by the Bureau of Reclamation. (3) Local interests sponsoring any permanent pool for fish and wildlife and/or recreation be required to settle all water rights pertaining to permanent pool for these purposes.

BUCHANAN RESERVOIR, CHOWCHILLA RIVER BASIN,
CALIFORNIA

[Extract from S. Doc. 98, 87th Cong.]

(1) Prior to construction of the dam and reservoir, the Secretary of the Interior make necessary arrangements for repayment, under the provisions of reclamation law, of that part of the construction cost and annual operation and maintenance cost allocated to irrigation, presently estimated at \$6,341,000 and \$43,000, respectively, the final cost allocation to be made by the Secretary of the Army, with the assistance of the Secretary of the Interior; such repayment to be financially integrated into the Central Valley project of the Bureau of Reclamation; (2) insofar as compatible with law and overall project requirements: (a) After authorization, such reasonable modifications be made in project facilities and method of operation as may be found justified by the Commissioner of the U.S. Fish and Wildlife Service and agreed upon by the Chief of Engineers; and (b) the Chief of Engineers operate the dam and reservoir for irrigation in accordance with regulations prescribed by the Bureau of Reclamation; (3) the local interests sponsoring any permanent pool in the reservoir for fish and wildlife or recreation be required to settle all claims for water rights pertaining to establishment and use of a permanent pool for these purposes;

MARYSVILLE DAM AND RESERVOIR,
YUBA RIVER BASIN, CALIFORNIA

FLOOD CONTROL ACT OF 1966

[Extract from] An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes. (Act of November 7, 1966, 80 Stat. 1405, 1422, Public Law 89-789.)

* * *

Marysville Dam and Reservoir.—The project for Marysville Dam and Reservoir, Yuba River Basin, California, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 501, Eighty-ninth Congress, at an estimated cost of \$132,900,000.

* * *

[Extract from House Document No. 501, 89th Cong.]

DEPARTMENT OF THE ARMY,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington, D.C., 28 July 1966.

Subject: Marysville Dam and Reservoir, Yuba River Basin, California.

To: The Secretary of the Army.

1. I submit for transmission to Congress my final report responsive to a resolution of the Committee on Public Works of the House of Representatives of the United States, adopted 23 July 1956, with a view to determining the advisability of modifying recommendations of prior reports with respect to the Bullards Bar project on the Yuba River. My final report concerns the Marysville Dam and Reservoir project in the Yuba River Basin, California.

* * *

6. My proposed report on the Marysville project, concurring generally in the views and recommendations of the Board but providing for non-Federal participation in development for recreation and fish and wildlife enhancement in accordance with the then proposed Federal Water Project Recreation Act, subsequently enacted into law, was referred to the State and concerned Federal agencies for comment. It made clear that the intent of my proposed recommendation encompassed financial integration of the Marysville project in the Central Valley Project should that be found desirable during the preconstruction planning stage. The net cost to the United States was estimated in my proposed report at \$89,080,000 for construction and \$495,000 annually for operation, maintenance, and replacements after reimbursement of costs allocated to water supply and recreation and fish and wildlife enhancement.

7. In commenting on my proposed report the Administrator of the Resources Agency of the State of California recommended that the Marysville project be authorized as soon as possible for construction by the Corps of Engineers. The Administrator recommended further that it be integrated with the Central Valley Project, in recognition of assurances from the Bureau of Reclamation that the water supply available could be used within the service area of the latter project as soon as available, and in recognition of the Bureau's interest and desire for this integration. The Assistant Secretary of the Interior stated in his comments that additional water supply is needed for the proposed East Side Division and other elements of the Central Valley Project, and that Marysville Reservoir would be a desirable source of such additional water.

8. In recognition of the views of the State and the Department of the Interior I have reconsidered the water supply aspects of the Marysville project. Based on the assumption that Marysville project water supply would be used exclusively for irrigation upon integration with the Central Valley Project, I find that it would return unit water supply benefits at least comparable to the unit value of \$10 per acre foot used in the original evaluation; and that a total reservoir capacity of about 1,000,000 acre-feet, the upper physical limit of the site, would remain appropriate since the demand for irrigation water is greater than project capacity. Further, I find that because alternative costs

for water supply storage, rather than benefits, provided the control in the original computation, conversion to irrigation use would have no significant effect on the costs allocated to the water supply function.

* * *

10. After giving careful consideration to the findings of the reporting officers, the views and recommendations of the Board of Engineers, and the views of the State of California, the Department of the Interior, and other Federal agencies, I recommend that the Corps of Engineers be authorized to construct and operate the Marysville project, consisting of a multiple-purpose dam, reservoir, power plant, afterbay, and appurtenant facilities for flood control, additional water supply and power for integration with the Central Valley Project, recreation, and fish and wildlife enhancement, at an estimated cost to the United States of \$132,900,000 for construction and \$770,000 annually for operation, maintenance, and replacements, all generally in accordance with the engineering plan in the report of the District Engineer in House Document No. 180, 89th Congress, 1st Session, and with such modifications thereof as in the discretion of the Chief of Engineers may be deemed advisable; provided that:

* * *

b. Prior to construction of the powerplant and afterbay facilities, except for works necessary to preserve the power potential of the site, final determination be made as to their economic justification and financial feasibility, in cooperation with the Federal Power Commission and the Bureau of Reclamation; and

c. The project be financially integrated with the Central Valley Project.

11. I further recommend that:

a. Electric transmission and appurtenant facilities as necessary to interconnect the Marysville project with the power facilities of the Central Valley Project be authorized for construction by the Bureau of Reclamation, at an estimated cost of \$1,200,000, subject to the final determination of economic justification and financial feasibility of the power output called for above; and

* * *

12. The net cost to the United States for Marysville Dam and Reservoir, exclusive of the cost of electric transmission and appurtenant facilities to be constructed by the Bureau of Reclamation at an estimated cost of \$1,200,000, is currently estimated at \$89,080,000 for construction and \$495,000 annually for operation, maintenance, and major replacement, after payment by local interests of costs allocated to water supply, recreation, and fish and wildlife enhancement, based on the presently planned level of development for these purposes. Average annual charges and benefits are estimated at \$5,246,000 and

\$8,582,000, respectively, with a benefit-cost ratio of 1.6. Use of the presently prescribed interest rate of $3\frac{1}{8}$ percent would result in no appreciable change in the benefit-cost ratio.

WILLIAM F. CASSIDY

Lieutenant General, USA,

Chief of Engineers.

CHIEF JOSEPH DAM PROJECT

WASHINGTON

The feasibility report for the Foster Creek Division of Chief Joseph Dam Project was transmitted by the Secretary of the Interior to the Congress on April 16, 1954, and authorized by act of Congress on July 27, 1954 (68 Stat. 568).

The Greater Wenatchee Division feasibility report was transmitted by the Secretary of the Interior to the Congress on July 15, 1957 (H. Doc. 215, 85th Cong.), and authorized by act of Congress on May 5, 1958 (72 Stat. 104).

The feasibility report for the Oroville-Tonasket Unit of the Okanogan-Similkameen Division was transmitted to the Congress by the Secretary of the Interior on August 23, 1960 (H. Doc. 453, 86th Cong.), and authorized by act of Congress on October 9, 1962 (76 Stat. 761).

The report of feasibility of Whitestone Coulee Unit of the Okanogan-Similkameen Division was transmitted by the Secretary of the Interior to the Congress on January 2, 1964 (H. Doc. 201, 88th Cong.). The unit was authorized by act of Congress on September 18, 1964 (78 Stat. 955).

The feasibility report on the Chelan Division was transmitted by the Secretary of the Interior to the Congress on February 17, 1964 (H. Doc. 232, 88th Cong.). As recommended, the Manson Unit was authorized by act of Congress on September 7, 1966 (80 Stat. 704).

RUFUS WOODS LAKE

An act to designate the lake to be formed by the waters impounded by the Chief Joseph Dam in the State of Washington as Rufus Woods Lake. (Act July 9, 1952, 66 Stat. 444, Public Law 82-469.)

That the lake to be formed by the water impounded by the Chief Joseph Dam in the State of Washington shall hereafter be known as Rufus Woods Lake, and any law, regulation, document, or record of the United States in which such lake is designated or referred to shall be held to refer to such lake under and by the name of Rufus Woods Lake.

RECLAMATION STUDY AND REPORT

An act to provide for authorization of a study and report of irrigation works in connection with Chief Joseph Dam. (Act July 17, 1952, 66 Stat. 753, Public Law 82-577.)

SEC. 1. [Study and report of proposed works.] That the Secretary of the Interior is authorized to proceed in relation to the Chief Joseph Dam project on the Columbia River, Washington, initially authorized ¹ by section 1 of the Act of July 24, 1946 (60 Stat. 637), in accordance with the provisions of this Act to make a study and report to Congress on means of providing financial and other assistance in the reclamation of arid lands in the general vicinity of the project. In making such study and report the Secretary shall be guided by the provisions of applicable laws.

SEC. 2. [Contents of report.] The report of the Secretary of the Interior shall state, among other things, the construction cost of the proposed works, including said authorized project and proposed reclamation units; the portions of said cost allocable to various functions; the operation and maintenance costs of all functions (of the project); the amount of the construction cost allocable to irrigation which the irrigators may reasonably be expected to repay, together with the proposed charges for water service and proposed repayment period upon the irrigation allocation; the amount of the cost allocable to irrigation in excess of that which the irrigators can repay, which the Secretary proposes shall be recovered from power revenues; the proposed charges for power, and proposed repayment period on the amount allocable to power; the proposed interest rate on the power investment, and the disposition which the Secretary proposes to make of the interest component and other components of the power revenues; the unrecovered cost to the Federal Treasury of the works proposed, in connection with the means of financing recommended by the Secretary; the ratio of net costs to net benefits; the ratio of net benefits per acre to irrigator's repayment per acre; and a complete financial analysis of repayment program together with all other data reasonably required to enable the Congress to pass upon the economic feasibility of the proposed works.

SEC. 3. [No construction until authorized by Act of Congress.] Any such reclamation works proposed to be constructed under the study authorized by this Act may be undertaken only after the Secretary of the Interior has submitted a report and findings thereon under section 2 of this Act and section 9 of the Reclamation Project Act of 1939 (53 Stat. 1187), and only if the works so reported on are thereafter specifically authorized by Act of Congress.

SEC. 4. [Existing laws.] Nothing in this Act shall modify in any way the requirements and provisions of existing laws with respect to the availability of funds for construction and operation and maintenance of the Chief Joseph Dam and power plant.

¹ This act was for construction by U.S. Corps of Engineers.

GREATER WENATCHEE DIVISION

DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., May 27, 1957.

The SECRETARY OF THE INTERIOR.

SIR: This is my report on the Greater Wenatchee division of the Chief Joseph Dam project, Washington. It is based on and includes the proposed report which you approved and adopted on January 24, 1957.

The Greater Wenatchee division is in the Columbia River Valley between Moses Coulee on the south and Pateros, Wash., on the north. The division includes seven units which are completely separate land bodies several miles apart, thus requiring independent irrigation systems. All land would be irrigated by pumping from the Columbia River. Under each of the seven units making up the Greater Wenatchee division, water would be pumped from the Columbia River and conveyed through a discharge line to the unit lands. Each unit would be serviced by a closed pipe distribution system.

Authorization at this time is recommended for only 4 of the 7 units. These units—Howard Flat, Brays Landing, East, and Moses Coulee—comprise a total of 8,661 acres, of which 7,221 acres are not now irrigated.

Copies of your proposed report were transmitted to States of the Columbia River Basin and to the Secretary of the Army on October 4, 1956, in accordance with section 1(c) of the Flood Control Act of 1944 (58 Stat. 887) and to the State of Washington for comments from the head of the agency exercising administration over the wildlife resources of that State in accordance with the provisions of the act of August 14, 1946 (60 Stat. 1080). Copies of the report were also furnished agencies represented on the Interagency Committee on Water Resources for their review and comment. Comments have been received from all States and agencies to which the report was sent, and copies of their comments are enclosed.¹

The comments in general were favorable or offered no objection. The recommendations for additional studies made by other agencies can be accommodated in the advance planning phase of project development.

Further studies made since you adopted your proposed report on January 24, 1957, indicate that on the basis of October 1956 costs and assuming operation and maintenance costs on current levels the water users would be able to repay 59 percent rather than 73 percent of the total construction obligation and that financial aid beyond the water users' ability to repay would amount to \$4,205,000 rather than \$2,740,250 as reported. These revisions are noted in the interests of accuracy. They have little effect on economic justification or on payment. The proposed

¹ Excluded from this publication.

source of financial assistance from surplus power revenues of Chief Joseph Dam is significantly greater than that required for project repayment.

Accordingly, I recommend that you approve and adopt this report as your report on Greater Wenatchee division of the Chief Joseph Dam project, Washington, and that you transmit it together with the attached comments ¹ to the President and subsequently to the Congress in accordance with the Reclamation Act of 1939.

Respectfully,

W. A. DEXHEIMER,
Commissioner.

Approved and adopted June 6, 1957.

FRED A. SEATON,
Secretary of the Interior.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., June 6, 1957.

THE PRESIDENT,
The White House,
Washington, D.C.
(Through the Bureau of the Budget).

DEAR MR. PRESIDENT: My report on a plan of development for the proposed Greater Wenatchee division, Chief Joseph Dam project, Washington, is transmitted herewith under provisions of section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187).

The Greater Wenatchee division is in the Columbia River Valley between Moses Coulee on the south and Pateros, Wash., on the north. The division includes 7 units which are completely separate land bodies several miles apart requiring independent irrigation systems. Authorization is recommended at this time for 4 of the 7 units. These 4 units comprise a total of 8,661 acres of which 7,221 acres are not now irrigated. For each of the units, water would be pumped from the Columbia River and conveyed through a discharge line to the unit lands. Each unit would be serviced by a closed pipe distribution system.

The total cost of the 4 units recommended for authorization is estimated as \$9,734,800 based on October 1956 price levels, all of which is allocated to irrigation except about \$85,000 which is proposed as a nonreimbursable allocation for fish facilities. The water users in a 50-year repayment period would repay an estimated 59 percent of the total construction obligation. The remaining portion would be retired in less than a year from surplus revenues accruing from operation of the Chief Joseph Dam powerplant.

The proposed report was reviewed by the affected States of the Columbia River Basin, the Secretary of the Army, and other

¹ Excluded from this publication.

interested Federal agencies, as required by law and interagency agreement. Copies of the comments received as the result of this coordination which in general are either favorable or offer no objection, are attached.¹

I recommend that the plan of development for the Greater Wenatchee division of the Chief Joseph Dam project be authorized as set forth in my report. I shall appreciate having advice concerning the relationship of the Greater Wenatchee development to your program before submitting the report to the Congress for its consideration and appropriate action in accordance with the provisions of the Reclamation Act of 1939.

Sincerely yours,

FRED A. SEATON,
Secretary of the Interior.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., July 3, 1957.

The Honorable the SECRETARY OF THE INTERIOR.

MY DEAR MR. SECRETARY: This is in reply to your letter of June 6, 1957, transmitting your report on a plan of development for the proposed Greater Wenatchee Division, Chief Joseph Dam project, Washington. This report is made pursuant to Federal reclamation laws, and Public Law 577, approved July 17, 1952.

The improvements considered would provide for irrigating seven completely separated units in the Columbia River Valley downstream from Chief Joseph Dam. Each of the units would require independent works for pumping from the Columbia River and conveying water to lands that would be irrigated for production of apples. Only 4 units are recommended for authorization at this time: Howard Flat, Brays Landing, East, and Moses Coulee, having a total of 8,661 irrigable acres, including 7,221 acres not now irrigated.

* * *

Your letter of June 6, 1957, states that the cost of the 4 recommended units is now estimated at \$9,734,800 based on October 1956 price levels. This cost is all proposed to be allocated to irrigation except \$94,800 for provision of fish screens proposed as a nonreimbursable allocation to fish and wildlife. Under this increased cost estimate, it is stated that the water users, in a 50-year period, could repay 59 percent or \$5,979,250 of the total reimbursable obligation of \$10,185,000 including \$545,000 for funded operation and maintenance charges during the first few years of project operation, prior to the time the orchards come into production. You estimate that the remaining 41 percent, or \$4,205,750, would be retired in less than 1 year from surplus power revenues from operation of the Chief Joseph Dam power-

¹ Excluded from this publication.

plant. The recent financial adjustments are stated to have little effect on economic feasibility as given in the regional director's 1956 report.

The report does not contain information as to the availability of sufficient power revenues, over and above amounts needed to reimburse the Federal Government for the cost of the power investment in Chief Joseph Dam within its 50-year repayment period, for repayment of the irrigation costs of the Greater Wenatchee division that exceed the repayment ability of the water users. In the absence of this information, the Bureau of the Budget would expect that the request for appropriations for initiating construction of the irrigation works, if authorized, would be accompanied by a current financial analysis and schedules of power generation and rates demonstrating such repayment ability.

The Bureau of the Budget believes that the cost of fish screens should be treated as a reimbursable cost to irrigation. We also believe that, in view of the sizable secondary benefits involved in this project, consideration should be given to a requirement for the establishment of conservancy districts to insure maximum justifiable contribution or repayment by those to whom secondary benefits of the project will accrue.

I am authorized by the Director of the Bureau of the Budget to advise you that, subject to consideration being given to the above comments, there would be no objection to the submission of your proposed report to the Congress or to authorization of the improvements recommended therein. No commitment, however, can be made at this time as to when any estimate of appropriation would be submitted for construction of the project, if authorized by the Congress, since this would be governed by the President's budgetary objectives as determined by the then prevailing fiscal situation.

Sincerely yours,

CHARLES C. WARNER,
Acting Chief, Resources and Civil Works Division.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., July 15, 1957.

Hon. SAM RAYBURN,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: The report of the Department of the Interior on the Greater Wenatchee division, Chief Joseph Dam project, Washington, is transmitted herewith pursuant to the provisions of section 9 (a) of the Reclamation Project Act of 1939 (53 Stat. 1187) and the act of July 17, 1952 (66 Stat. 753).

The report presents a plan for irrigating seven completely

separated units in the Columbia River Valley downstream from Chief Joseph Dam. Four of these units, which are recommended for initial construction, involve a total of 8,661 irrigable acres, including 7,221 acres not now irrigated. The cost of the 4 recommended units, based on October 1956 price levels, is estimated at \$9,734,800, most of which is reimbursable by the irrigators and by surplus power revenues of Chief Joseph Dam.

Copies of this Department's proposed report were transmitted to appropriate officials of the States of the Columbia River Basin and to the Secretary of the Army for their consideration and recommendations in accordance with the provisions of section 1(c) of the Flood Control Act of 1944 (58 Stat. 887), and to the Department of Agriculture, Department of Commerce, Federal Power Commission, Department of Labor, and Department of Health, Education, and Welfare in accordance with inter-agency agreement. Copies of their comments, which generally are favorable, are enclosed with the report.

The report and copies of all comments were transmitted to the President on June 6, 1957. Enclosed is a copy of the letter from Mr. Charles C. Warner, Acting Chief, Resources and Civil Works Division, Bureau of the Budget, commenting on the report.

Sincerely yours,

FRED G. AANDAHL,
Assistant Secretary of the Interior.

GREATER WENATCHEE DIVISION AUTHORIZING ACT

An act to authorize the Secretary of the Interior to construct, operate, and maintain four units of the Greater Wenatchee division, Chief Joseph project, Washington, and for other purposes. (Act of May 5, 1958, 72 Stat. 104, Public Law 85-393.)

SEC. 1. [Construction authorization.] That for the purpose of furnishing water for the irrigation of approximately eight thousand seven hundred acres of land in Chelan and Douglas Counties, Washington, the Secretary of the Interior is authorized to construct, operate, and maintain the East, Moses Coulee, Brays Landing, and Howard Flat units of the Greater Wenatchee division, Chief Joseph Dam project, in accordance with the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto).

SEC. 2. [Irrigation district organization.] Prior to initiating construction of any of the works authorized by section 1 of this Act, there shall have been organized under the laws of the State of Washington an irrigation or reclamation district, satisfactory in form and powers to the Secretary, which embraces all of the lands within the East, Moses Coulee, Brays Landing, and Howard Flat units to which it is then proposed to furnish water, and the authority to construct works contained in section 1 shall not be

exercised save with respect to lands which are then in, or thereafter come into, such district: *Provided*, That for a period of ten years from the date of enactment of this Act, no water from the project shall be delivered to any water user for the production on newly irrigated lands of any basic agricultural commodity, as defined in the Agricultural Act of 1949, or any amendment thereof, if the total supply of such commodity for the marketing year in which the bulk of the crop would normally be marketed is in excess of the normal supply as defined in section 301(b) (10) of the Agricultural Adjustment Act of 1938, as amended, unless the Secretary of Agriculture calls for an increase in production of such commodity in the interest of National security.

SEC. 3. [Application of Reclamation laws.] The provisions of section 2 of the Act of July 27, 1954 (68 Stat. 568, 569), shall be applicable to the Greater Wenatchee division of the Chief Joseph Dam project. The term "construction costs" used therein shall include any irrigation, operation, and maintenance costs during the development period which the Secretary finds it proper to fund because they are beyond the ability of the water users to pay during that period.

SEC. 4. [Appropriation authorized.] There is hereby authorized to be appropriated for construction of the works provided for in section 1 of this Act the sum of \$10,280,000, plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indexes applicable to the type of construction involved herein. There are also authorized to be appropriated such sums as are necessary for operation and maintenance of said works.

OROVILLE-TONASKET UNIT, OKANOGAN-SIMILKAMEEN DIVISION

DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., May 19, 1960.

The SECRETARY OF THE INTERIOR.

SIR: This is my report on the Oroville-Tonasket unit, Okanogan-Similkameen division, Chief Joseph Dam project, Washington. It presents a plan to provide an additional water supply for, and to rehabilitate a portion of the works of, the Oroville-Tonasket Irrigation District.

Copies of the proposed report were transmitted on December 4, 1959, to the affected States of the Columbia River Basin and to the Secretary of the Army for review as required by the Flood Control Act of 1944. As provided by the Fish and Wildlife Coordination Act (48 Stat. 401, as amended; 16 U.S.C. 661, et seq.),

the report was also sent to the State of Washington for comments from the head of the agency exercising administration over wild-life resources of that State. In addition, copies were sent to the Federal agencies represented on the Interagency Committee on Water Resources.

Comments have been received from all those recipients except the States of Montana and Utah. All comments are either favorable to the potential development or offer no objection. Copies of the letters received are attached¹ to and made a part of the report.

Revision of the proposed report as a result of these reviews does not appear to be necessary. Accordingly, I recommend that you approve and adopt this as your report on the Oroville-Tonasket unit, Okanogan-Similkameen division, Chief Joseph Dam project, and that you transmit it, together with the attached comments¹, to the President and subsequently to the Congress as provided by the Reclamation Project Act of 1939.

Respectfully,

FLOYD E. DOMINY,
Commissioner.

Approved and adopted June 3, 1960.

FRED A. SEATON,
Secretary of the Interior.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., June 3, 1960.

The PRESIDENT
The White House,
Washington, D.C.

(Through the Bureau of the Budget).

DEAR MR. PRESIDENT: My report on a plan of development for the Oroville-Tonasket unit, Okanogan-Similkameen division, Chief Joseph Dam project, Washington, is transmitted herewith pursuant to the Reclamation Project Act of 1939 (53 Stat. 1187).

The proposed plan provides for the construction of facilities to serve both supplemental and full irrigation water supplies to portions of the 8,450 irrigable acres to be incorporated within the Oroville-Tonasket Irrigation District and for improvement and rehabilitation of existing works. The plan is engineeringly feasible and economically justified with benefits well in excess of costs. The local people strongly support the proposed plan, which, if put into effect, would stimulate the economy of the area.

The proposed report was transmitted for review to the States of the Columbia River Basin and to the interested Federal agencies as required by law and interagency agreement. Copies of the review comments received are attached to the report.

¹ Excluded from this publication.

I recommend that the plan of development for the Oroville-Tonasket unit, Okanogan-Similkameen division, Chief Joseph Dam project, be authorized as set forth in my report. I shall appreciate having advice concerning the relationship of the Oroville-Tonasket unit to your program before transmitting the report to the Congress for its consideration and appropriate action as provided in the Reclamation Project Act of 1939.

Sincerely yours,

FRED A. SEATON,
Secretary of the Interior.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., June 24, 1960.

The Honorable the SECRETARY OF THE INTERIOR.

MY DEAR MR. SECRETARY: This will acknowledge your letter of June 3, 1960, transmitting your report on the Oroville-Tonasket unit, Okanogan-Similkameen division, Chief Joseph Dam project, Washington.

This appears to be an unusually meritorious project. It would provide a supplemental water supply to presently irrigated lands and a full water supply to 1,500 acres of unirrigated land. In addition, existing works would be improved and rehabilitated. The total Federal cost based on January 1958 prices and excluding assigned costs is \$3,208,000. The ratio of direct annual benefits to annual costs using a 50-year period of analysis is estimated to be 1.82. It is understood that the water users would repay all of the irrigation investment, without interest, in a 50-year repayment period.

The acting Commissioner's memorandum to you which was approved on November 30, 1959, recommends that the authorizing legislation provide for the construction of fish passage facilities at the Palmer Lake control works and the diversion dam if such facilities are demonstrated to be justified in the future. Plans for these facilities are not included in the report and an estimate of their cost is not given. In the absence of these normal requirements for the authorization of fish and wildlife facilities in connection with a reclamation project the Bureau of the Budget recommends that they be excluded from any legislation to authorize the project.

Subject to your consideration of the above comment there would be no objection to the submission of your report to the Congress. No commitment, however, can be made at this time as to when any estimate of appropriations would be submitted for the loan since this would be governed by the President's budgetary objectives as determined by the then prevailing fiscal situ-

ation. It would be appreciated if a copy of this letter accompanied your report to the Congress.

Sincerely yours,

ELMER B. STAATS,
Deputy Director.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., August 23, 1960.

Hon. SAM RAYBURN,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: My report on the Oroville-Tonasket unit, Okanogan-Similkameen division, Chief Joseph Dam project, Washington, is transmitted herewith as provided by section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187).

The report presents a plan to provide both a full and supplemental irrigation water supply to 8,450 acres within the Oroville-Tonasket Irrigation District. This district is located in the general vicinity of the towns of Oroville and Tonasket in the upper Okanogan River Basin in northern Washington. Except for certain recommended fish facilities, this is wholly an irrigation development. The proposed plan is engineeringly feasible and economically justified.

My proposed report on this project was transmitted to the affected States and interested Federal agencies for review as required by law and interagency agreement. All comments which have been received as a result of this review are attached to the report.

The report and copies of the comments received were submitted to the President on June 3, 1960. Enclosed is a copy of letter dated June 24, 1960, from the Deputy Director of the Bureau of the Budget. While it considers this irrigation development to be an unusually meritorious project, the Bureau of the Budget recommends the exclusion from any legislation to authorize the project the provision of fish passage facilities which our proposed report recommends be provided for in authorizing legislation if such facilities are demonstrated to be justified in the future. The provision of facilities for conservation of fishery resources would be consistent with the Fish and Wildlife Coordination Act (48 Stat. 401, as amended; 16 U.S.C. 661 et seq.).

I recommend that construction of the Oroville-Tonasket unit, Okanogan-Similkameen division, Chief Joseph Dam project, Washington be authorized as set forth in my report.

Sincerely yours,

FRED A. SEATON,
Secretary of the Interior.

OROVILLE-TONASKET UNIT AUTHORIZING ACT

An act to authorize the Secretary of Interior to construct, operate, and maintain the Oroville-Tonasket unit of the Okanogan-Similkameen Division, Chief Joseph Dam project, Washington, and for other purposes. (Act of October 9, 1962, 76 Stat. 761, Public Law 87-762.)

SEC. 1. [Construction authorization.] That for the purpose of furnishing a new and a supplemental water supply for the irrigation of approximately eight thousand four hundred and fifty acres of land in Okanogan County, Washington, for the purpose of undertaking the rehabilitation and betterment of existing works serving a major portion of these lands and for conservation and development of fish and wildlife resources, the Secretary of Interior is authorized to construct, operate, and maintain the Oroville-Tonasket unit of the Okanogan-Similkameen division of the Chief Joseph Dam project, in accordance with the provisions of the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto). The principal works of the unit shall consist of: facilities to permit enlargement and utilization of Palmer Lake storage; related canal, diversion dam, pumping plants, and distribution systems; and necessary works incidental to the rehabilitation of the existing irrigation system.

SEC. 2. [Construction costs, repayment period.] The basic period provided in subsection (d), section 9, of the Reclamation Project Act of 1939, as amended (43 U.S.C. 485h), for repayment of the construction cost properly chargeable to any block of lands may be extended to fifty years, exclusive of any development period, from the time water is first delivered to that block. Power and energy required for irrigation pumping for the Oroville-Tonasket unit shall be made available by the Secretary from the Chief Joseph Dam powerplant and other Federal plants interconnected therewith at rates not to exceed the cost of such power and energy from the Chief Joseph Dam taking into account all costs of the dam, reservoir, and powerplant which are determined by the Secretary under the provisions of the Federal reclamation laws to be properly allocable to such irrigation pumping power and energy.

SEC. 3. [Fish and wildlife conservation.] The Secretary may make such provisions for fish and wildlife conservation, including the installation, operation and maintenance of fish screens at the pump plants and diversion dam, and provision for sufficient flows in the rivers below Palmer Lake, as he finds to be required for the mitigation of losses or damages to existing fishery and wildlife resources, and, if he determines that it is practicable and desirable to reestablish anadromous fish runs in the Similkameen River, may make such provisions, including the construction, operation, and maintenance of fish ladders and other control works, and downstream flow releases as he finds to be required to accomplish that purpose. The Secretary is further authorized to make provisions for access to project areas for the

general public, including fishermen and hunters. An appropriate portion of the construction costs of the unit shall be allocated as provided in the Fish and Wildlife Coordination Act (48 Stat. 401, as amended, 16 U.S.C. 661 et seq.), which, together with the portion of the operation, maintenance, and replacement costs allocated to this function or the equivalent capitalized value thereof, shall be nonreimbursable and nonreturnable under the Federal reclamation laws.

SEC. 4. [**Appropriation authorized.**] There are hereby authorized to be appropriated for construction of the works authorized by this Act not to exceed \$3,210,000, plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations from January 1961 construction costs as indicated by engineering cost indices applicable to the type of construction involved herein, and not to exceed \$400,000 for carrying out the provisions of section 3 of this Act, in addition to the cost of fish screens, when the Secretary finds that conditions justify such expenditures. There are also authorized to be appropriated such sums as may be required for the operation and maintenance of said works.

WHITESTONE COULEE UNIT, OKANOGAN-SIMILKAMEEN DIVISION

U.S. DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., August 17, 1962.

The SECRETARY OF THE INTERIOR.

SIR: This is my proposed report on the Whitestone Coulee unit, Okanogan-Similkameen division, Chief Joseph Dam project, Washington. It is based on and includes the accompanying report of the regional director, Bureau of Reclamation, Boise, Idaho, dated January 1962, as revised June 1962, and its appended reports of the Fish and Wildlife Service and the National Park Service.¹

The Whitestone Coulee unit is located in north-central Washington, in Okanogan County, about 10 miles south of the Canadian border. It lies in a glaciated mountainous area, occupying an ancient stream valley tributary to the Okanogan River.

The economy of northern Okanogan County is based on agriculture. The demand for good fruit land has caused a shift in recent years from forage crops to apple production in the area of the Whitestone Coulee unit. However, the existing water supply is inadequate to meet the irrigation demand, especially

¹ Excluded from this publication.

in the later part of the season, and the privately built project works are old, costly to operate, and in imminent danger of serious failure. Storage regulation of water for full seasonal generation and reconstruction of key facilities of the present system are needed to assure the continuance of the present irrigation operations and to provide water to adjacent dry lands.

This report presents a plan for rehabilitating and enlarging existing facilities of the Whitestone Reclamation District, which now serve 1,830 irrigable acres, and for construction of new facilities to serve an additional 705 acres of presently dry lands. About 125 acres of class 6 land within the district which now have a water right would continue to receive their water entitlement upon payment of the average operation, maintenance, and replacement costs for the unit.

* * *

Although the Whitestone Coulee unit is proposed primarily as an irrigation project, Spectacle Lake has been developed by State and private agencies as a recreation facility. It affords an excellent rainbow trout fishery, which has been maintained by annual stocking of fingerlings by the State department of game. The Fish and Wildlife Service estimates that the increase in capacity of Spectacle Lake, the installation of fish screens on the outlet and pump intakes, and other project improvements would enhance the fishery and result in an average annual benefit of \$3,000. Existing public-access areas inundated by the larger reservoir would need to be replaced by an equal area of land for the same purpose. The National Park Service recommends the acquisition of land surrounding the lake for recreation use, which would result in an average annual benefit of \$4,000.

The development of the Whitestone Coulee unit as proposed would not provide any significant flood control benefits. There would be no opportunity for production of hydroelectric power. Our studies have not indicated any need for industrial water supplies in the area or need for pollution control or other public health measures. Existing facilities for domestic water service are adequate and will continue to be used.

It is estimated that the total construction cost of the Whitestone Coulee unit would be \$5,229,000, based on April 1960 price levels, which are not significantly different than current prices. Because the irrigators on the new lands would be unable to pay all the costs of operation and maintenance of the facilities during the development period, it is proposed that the excess of those costs beyond their ability to pay, estimated at \$96,000, be funded as an irrigation construction cost item. The unit would also be charged a share of the cost of the existing Bonneville Power Administration substation at Tonasket, amounting to \$9,000. The total project cost, therefore, would be \$5,334,000. Of this amount, \$64,800 is allocated to fish and wildlife. Since all of the construction costs allocated to fish and wildlife are either for the prevention of loss and damages to these resources or for the development and improvement thereof, and since all

of the benefits to fish and wildlife will accrue to the public at large and are not readily identifiable with any particular group or groups of beneficiaries, it is found that all of the allocated costs of fish and wildlife would be nonreimbursable. The cost allocated to recreation, which comprises the estimated cost of acquiring lands for that purpose, is \$116,000 and also would be nonreimbursable. The remaining cost of \$5,153,200 is allocated to irrigation and would be reimbursable.

* * *

The plan of development for the Whitestone Coulee unit as proposed herein is engineeringly feasible and economically justified. The economic evaluation of this unit for a 100-year period of analysis shows that the estimated total annual benefits would exceed the average annual equivalent cost in the ratio of 6.66 to 1.

* * *

Respectfully,

N. B. BENNETT, Jr.,
Acting Commissioner.

Approved and adopted October 17, 1962.

JOHN M. KELLY, Jr.,
Acting Secretary of the Interior.

U.S. DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., May 1, 1963.

The SECRETARY OF THE INTERIOR.

SIR: This is my report on the Whitestone Coulee unit, Okanogan-Similkameen division, Chief Joseph Dam project, Washington. It is based on and includes our proposed report of August 17, 1962, on this unit, which was approved and adopted on October 17, 1962, by Acting Secretary John M. Kelly.

Copies of the proposed report were transmitted to the States of the Columbia River Basin and to the Secretary of the Army on October 23, 1962, for review as required by the Flood Control Act of 1944 (58 Stat. 887), and to the State of Washington for comments from the head of the agency exercising administration over the wildlife resources of that State as provided by the act of August 12, 1958 (72 Stat. 563). Copies of the report were also sent to the Federal agencies represented on the Interagency Committee on Water Resources for their review. Comments have been received from all the States except Idaho and Utah, which are not directly affected by the proposed development, and from all the Federal agencies to which the report was sent. Copies of the comments received are attached.¹

The State of Washington advises that it approves the unit and finds that it is vitally important to the economy of the

¹ Excluded from this publication.

Okanogan Valley. The Washington Department of Game makes its approval of the report subject to incorporation in the project of some means of providing funds to compensate for possible deer depredation on the newly created orchards on the unit or that the orchards be fenced to prevent such damage. The Fish and Wildlife Service concurs with our conclusion that this is not a proper project cost.

The Chief of Engineers, Department of the Army, finds there would be no conflict between the proposed plan for this unit and existing projects or plans of the Corps of Engineers.

As the comments received either approved or offered no objection to this proposed water resource development, it does not appear that revision of our proposed report is necessary as a result of the reviews.

Subsequent to the release of the proposed report for review, however, the plan of development has been reanalyzed in light of the new "Policies, Standards, and Procedures in the Formulation, Evaluation, and Review of Plans for Use and Development of Water and Related Land Resources" approved by the President on May 15, 1962, and the interim criteria you prescribed for the evaluation of recreation and fish and wildlife benefits and allocation of costs to those purposes. The effect of the changes necessitated as a result of this reanalysis is not significant. The physical plan and basic data are unchanged. Only the financial and economic analyses differ from our proposed report.

The Area Redevelopment Act (Public Law 87-27, approved May 1, 1961) sets forth criteria for designating certain areas as "rural development areas." Okanogan County, in which the Whitestone Coulee unit is located, has been so designated. Accordingly, the benefits from wages to be paid during construction and operation of the unit for 20 years have been evaluated, and a portion of the cost of the unit is proposed to be allocated on a nonreimbursable basis to this function. The Area Redevelopment Administration has reviewed our derivation of the benefits claimed for this function and, as indicated in the attached copy of letter dated April 11, 1963,¹ believes the procedures followed to be appropriate but limited in their application, thus leading to a conservative estimate of benefits.

A copy of the regional director's reevaluation statement dated April 1963 describing the effect of the reevaluation on our proposed plan of development is attached¹ to and made a part of this report. The estimated total cost of the unit has been reduced by \$22,000 because of a decrease in the funded operating costs for the unit. The effect of the reevaluation upon the allocation of construction costs and repayment is summarized below:

¹ Excluded from this publication.

Allocation of construction costs	Proposed report (Aug. 17, 1962)	Reevaluation statement (April 1963)
Irrigation	\$5,153,200	\$4,338,000
Fish and wildlife and recreation	180,800	168,000
Area redevelopment	0	806,000
Total cost of unit	5,334,000	5,312,000
Repayment of costs	Proposed report	Reevaluation statement
Water users	\$850,000	¹ \$1,100,200
Power revenues	4,303,200	3,237,800
Total	5,153,200	4,338,000

¹ The increased repayment by the water users results largely from an allocation of part of the operating costs to area redevelopment.

Therefore, to the extent necessary to adopt the revised economic and financial analyses described herein, our proposed report of August 17, 1962, is hereby modified.

I recommend that you approve and adopt this report as your report on the Whitestone Coulee unit, Okanogan-Similkameen division, Chief Joseph Dam project, Washington, and that you transmit it, together with the attached comments, and reevaluation statement to the President and subsequently to the Congress in accordance with the Reclamation Act of 1939.

Respectfully,

FLOYD E. DOMINY,
Commissioner.

Approved and adopted May 15, 1963.

STEWART L. UDALL,
Secretary of the Interior.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., May 15, 1963.

The PRESIDENT,
The White House,
Washington, D.C.

(Through the Bureau of the Budget).

DEAR MR. PRESIDENT: My report on a plan of development for the Whitestone Coulee unit, Okanogan-Similkameen division, Chief Joseph Dam project, Washington, is transmitted herewith pursuant to the Reclamation Project Act of 1939 (53 Stat. 1187).

The proposed plan provides for rehabilitation of existing works and construction of new facilities to serve both supplemental and full irrigation water supplies to 2,535 irrigable acres comprising the Whitestone Reclamation District. The plan is engineeringly feasible and economically justified, with benefits well in excess of costs. The local people strongly support the proposed plan, which, if put into effect, would stimulate the economy of the area.

The proposed report was transmitted to the States of the Columbia River Basin and to the interested Federal agencies for review as required by law and interagency agreement. Copies of the review comments received are attached to the report.

My final report presents the results of a reevaluation of the unit to reflect the policies, standards, and procedures in the formulation, evaluation, and review of plans for use and development of water and related land resources approved by you on May 15, 1962.

I recommend that the plan of development for the Whitestone Coulee unit, Okanogan-Similkameen division, Chief Joseph Dam project, be authorized as set forth in my report. I shall appreciate having advice concerning the relationship of the unit to your program before transmitting the report to the Congress for its consideration and appropriate action as provided in the Reclamation Project Act of 1939.

Sincerely yours,

STEWART L. UDALL,
Secretary of the Interior.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., December 14, 1963.

Hon. STEWART L. UDALL,
Secretary of the Interior,
Washington, D.C.

DEAR MR. SECRETARY: This is in reply to your letter of May 15, 1963, transmitting your proposed report on the Whitestone Coulee unit, Okanogan-Similkameen division, Chief Joseph Dam project, Washington, and requesting advice as to the relationship of the proposed project to the President's program.

The proposed plan provides for rehabilitation of existing irrigation works and construction of new facilities to serve 2,535 irrigable acres. The total estimated construction cost is \$5,312,000.

There would be no objection to the submission of your report to the Congress. No commitment can be made at this time as to when any estimate of appropriation would be submitted for the project since this would be governed by the President's budgetary objectives as determined by the then prevailing fiscal situation.

Sincerely,

ELMER B. STAATS,
Deputy Director.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., January 2, 1964.

Hon. JOHN W. MCCORMACK,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: The report of the Secretary of the Interior on the Whitestone Coulee unit, Okanogan-Similkameen division, Chief Joseph Dam project, Washington, is transmitted herewith as provided by section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187).

The report presents a plan to provide irrigation water supply to 2,660 acres within the Whitestone Reclamation District. This district is located in the vicinity of the town of Tonasket in the Upper Okanogan River Basin in northern Washington. The proposed development is multiple purpose in scope, providing fish and wildlife and recreation benefits in addition to irrigation, and serving an area which has been designated as a rural redevelopment area under the Area Redevelopment Act of 1961. The proposed plan is engineeringly feasible and economically justified.

The Secretary's proposed report on this project was transmitted to the affected States and interested Federal agencies for review as required by law and interagency agreement. All comments which have been received as a result of this review are attached to the report.

The report and copies of the comments received were submitted to the President on May 15, 1963. Enclosed is a copy of letter dated December 14, 1963, from the Deputy Director of the Bureau of the Budget, which states that there would be no objection to the submission of this report to the Congress.

It is recommended that construction of the Whitestone Coulee unit, Okanogan-Similkameen division, Chief Joseph Dam project, Washington, be authorized as set forth in the attached report.

Sincerely yours,

KENNETH HOLUM,
Assistant Secretary of the Interior.

WHITESTONE COULEE UNIT AUTHORIZING ACT

An act to authorize the Secretary of the Interior to construct, operate, and maintain the Whitestone Coulee unit of the Okanogan-Similkameen division, Chief Joseph Dam project, Washington, and for other purposes. (Act of September 18, 1964, 78 Stat. 955, Public Law 88-599.)

SEC. 1. [**Construction.**] That for the purpose of furnishing a new and a supplemental water supply for the irrigation of approximately two thousand five hundred and fifty acres of land in Okanogan County, Washington, for the purpose of undertaking the rehabilitation and betterment of existing works serving a

major portion of these lands, and for conservation and development of fish and wildlife resources and improvement of public recreation facilities, the Secretary of the Interior is authorized to construct, operate, and maintain the Whitestone Coulee unit of the Okanogan-Similkameen division of the Chief Joseph Dam project, in accordance with the provisions of the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto). The principal works of the unit shall consist of: facilities to permit enlargement and utilization of Spectacle Lake storage; related canal and conduits, diversion dam, pumping plants, and distribution systems; and necessary works incidental to the rehabilitation and expansion of the existing irrigation system.

SEC. 2. [**“Construction costs.”**] The provisions of section 2 of the Act of July 27, 1954 (68 Stat. 568, 569), shall be applicable to the Whitestone Coulee unit of the Okanogan-Similkameen division of the Chief Joseph Dam project. The term “construction costs” used therein shall include any irrigation operation, maintenance, and replacement costs during the development period which the Secretary finds it proper to fund because they are beyond the ability of the water users to pay during that period.

SEC. 3. (a) [**Recreation.**] The Secretary is authorized as a part of the Whitestone Coulee unit to construct, operate, and maintain or otherwise provide for basic public outdoor recreation facilities, to acquire or otherwise to include within the unit area such adjacent lands or interests therein as are necessary for public recreation use, to allocate water and reservoir capacity to recreation, and to provide for public use and enjoyment of unit lands, facilities, and water areas in a manner coordinated with the other unit purposes. The Secretary is authorized to enter into agreements with Federal agencies or State or local public bodies for the operation, maintenance, and additional development of unit lands or facilities, or to dispose of unit lands or facilities to Federal agencies or State or local public bodies by lease, transfer, exchange, or conveyance, upon such terms and conditions as will best promote the development and operation of such lands or facilities in the public interest for recreation purposes. The costs of the aforesaid undertakings, including costs of investigation, planning, Federal operation and maintenance, and an appropriate share of the joint costs of the unit, shall be nonreimbursable. Nothing herein shall limit the authority of the Secretary granted by existing provisions of law relating to recreation development of water resources projects or the disposition of public lands for recreational purposes.

(b) [**Project costs.**] The costs of means and measures to prevent loss of and damage to fish and wildlife resources shall be considered as project costs and allocated as may be appropriate among the project functions.

SEC. 4. [**Appropriation authorized.**] There are hereby authorized to be appropriated for construction of the new works involved

in the Whitestone Coulee unit of the Okanogan-Similkameen division of the Chief Joseph Dam project \$5,312,000, plus or minus such amounts, if any, as may be required by reason of changes in the cost of construction work of the types involved therein as shown by engineering cost indices and, in addition thereto, such sums as may be required to operate and maintain said division.

MANSON UNIT, CHELAN DIVISION

DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., November 30, 1962.

The SECRETARY OF THE INTERIOR.

SIR: This is my proposed report on the Chelan division, Chief Joseph Dam project, Washington. It is based on and includes the accompanying report of the regional director, Bureau of Reclamation, Boise, Idaho, dated July 1962, and its appended letters and reports of the Forest Service, National Park Service, Fish and Wildlife Service, and Public Health Service.¹

The Chelan division is located in Chelan County in central Washington, in the vicinity of Lake Chelan. It consists of the Manson unit and the Chelan Butte unit. The regional director's report demonstrates that irrigation development of the Chelan Butte unit would be infeasible at this time. The data which follow, therefore, are concerned only with our findings and recommendations with respect to the Manson unit.

The Manson unit plan is designed to rehabilitate and enlarge the facilities and service area of the Lake Chelan Reclamation District. The district lands lie in an area of terraces and rolling hillsides along the north side of Lake Chelan. The history of irrigation of apple orchards in this area dates back to 1908, and the present system is the result of numerous privately financed enlargements and improvements. Some of the water collection, delivery, and storage works now are old, difficult to maintain, and inadequate in capacity, and the costs of converting the works to an efficient, adequate irrigation system are beyond the financial resources of the district. The plan outlined in this report would permit the continuation and expansion of the productivity of the orchards and would prevent the local economic disaster which would result from failure of the present system.

The proposed plan for development of the Manson unit would provide irrigation water for 5,770 acres of land. There are 5,490 irrigable acres in the area, of which 3,965 acres now receive a full water supply, 120 acres receive a partial supply, and 1,405

¹ Excluded from this publication.

irrigable acres are dry. Also included are 95 acres of class 6W lands and 185 acres of Indian trust lands now irrigated. In addition to capacity to serve the unit lands, capacity is provided in the distribution system for 205 acres of Indian trust lands which are now dry. Expansion of the presently irrigated acreage would provide the basis for development of 78 additional new irrigated farms and aid the general economy of the entire area.

* * *

The total project cost is estimated to be \$12,384,000, including \$86,000 tentatively allocated to fish and wildlife and \$184,500 to recreation. This estimate is based upon prices as of October 1959, which would not be significantly different from current prices. Because the irrigators would be unable to pay all the costs of operation and maintenance of facilities during the development period, the excess of those costs beyond their ability to pay, estimated at \$88,000, is proposed to be funded as an irrigation construction cost item. Average annual costs of operation, maintenance, and replacement of the unit will amount to about \$64,900. Of this amount, \$400 annually is allocated to fish and wildlife, and \$5,600 annually to recreation.

* * *

Since all of the fish and wildlife measures included in the unit plan are for the prevention of loss of and damage to these resources, and since the unit will not provide additional fish and wildlife benefits, it is found that the incremental costs of these measures are properly allocable to fish and wildlife as nonreimbursable costs, as provided by the Fish and Wildlife Coordination Act. It is proposed that the cost of the recreation facilities, including access lands, be nonreimbursable in accordance with established policy.

Project investigations were conducted with the active support and sponsorship of the Lake Chelan Reclamation District. We anticipate no difficulties in negotiating the necessary repayment contracts with the district after construction of the project has been authorized.

The plan of development for the Manson unit as proposed herein is engineeringly feasible and economically justified. The total benefit-cost ratio, based on a 100-year period of analysis and $2\frac{5}{8}$ percent interest, is 7.15 to 1.

I concur in and adopt the recommendations of the regional director as set forth on pages 55 and 56 of his report.

I recommend that you approve and adopt this report as your proposed report on the Chelan division, Chief Joseph Dam project, Washington, and that you authorize me in your behalf to transmit copies of this report to the States of the Columbia River Basin and to the Secretary of the Army for review as required by the Flood Control Act of 1944 (58 Stat. 887), to the State of Washington for the views and recommendations of the head of the agency exercising administration over the wildlife

resources of that State as provided by the Fish and Wildlife Coordination Act (48 Stat. 401, as amended; 16 U.S.C. 661, et seq.), and to the other interested Federal agencies for comments as provided by interagency agreement.

Respectfully,

FLOYD E. DOMINY,
Commissioner.

Approved and adopted April 26, 1963.

STEWART L. UDALL,
Secretary of the Interior.

DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., September 6, 1963.

The SECRETARY OF THE INTERIOR.

SIR: This is my report on the Chelan division, Chief Joseph Dam project, Washington. It is based on and includes our proposed report on this division, which you approved and adopted as your proposed report on April 26, 1963.

Copies of the proposed report were transmitted on May 1, 1963, to the States of the Columbia River Basin and to the Secretary of the Army for review as required by the Flood Control Act of 1944 (58 Stat. 887), and to the State of Washington for comments from the head of the agency exercising administration over the wildlife resources of that State as provided by the Fish and Wildlife Coordination Act. Copies of the report were also sent to the Federal departments and independent agencies interested in water resources projects for their review in accordance with Presidential instructions. Comments have been received from all of the recipients except the State of Wyoming. Copies of the comments are attached to, and made part of, this report.

The Governor of Washington forwarded a favorable report on the Chelan division and expressed the hope that the proposal would be submitted to the Congress for authorization at the earliest possible date. The comments of the State department of game, which were enclosed with the Governor's report, have been satisfactorily disposed of by further correspondence, as evidenced by the Department's letter of July 30, 1963.

The Chief of Engineers, Department of the Army, finds that the proposed plan would not conflict with any existing or authorized projects of the Corps of Engineers.

The comments of the Department of Agriculture were concerned with administrative requirements relating to the Forest Service participation in the development. We anticipate no difficulty in solution of those matters during the advance planning and construction phases of project development.

The comments of the other States and Federal agencies were favorable or offered no objection to the Chelan division, and we conclude that no revision of our proposed report is necessary as a result of the reviews.

Subsequent to the release of the proposed report for review, however, the plan of development has been reanalyzed in light of the new "Policies, Standards, and Procedures in the Formulation, Evaluation, and Review of Plans for Use and Development of Water and Related Land Resources" approved by the President on May 15, 1962, and the interim criteria you prescribed for the evaluation of recreation and fish and wildlife benefits and allocation of costs to those purposes. The effect of the changes necessitated as a result of this reanalysis is not significant. The physical plan and basic data are unchanged. Only the financial and economic analyses differ from our proposed report.

The Area Redevelopment Act (Public Law 87-27, approved May 1, 1961) sets forth criteria for designating certain areas as "redevelopment areas." Chelan County, in which the Chelan division is located, has been so designated. Accordingly, the benefits from wages to be paid during construction and operation of the unit for 20 years have been evaluated, and a portion of the cost of the unit is proposed to be allocated on a nonreimbursable basis to this function. The Area Redevelopment Administration has reviewed our derivation of the benefits claimed for this function and, as indicated in the attached copy of letter dated April 10, 1963, believes the procedures followed to be appropriate, although conservative.

A copy of the regional director's reevaluation statement, dated April 1963, describing the effect of the reevaluation on our proposed plan of development, is attached to and made a part of this report.¹ The estimated total cost of the unit has been reduced by \$21,000 because of a decrease in the funded operating costs for the unit. The effect of the reevaluation upon the allocation of construction costs and repayment is summarized as follows [1959 prices]:

	Proposed report (July 1962)	Reevaluation statement (April 1963)
Allocation of construction costs:		
Irrigation	\$12,113,500	\$10,420,500
Fish and wildlife and recreation	270,500	206,800
Area redevelopment	0	1,735,700
Total cost of unit	12,384,000	12,363,000
Repayment of costs:		
Water users	6,069,340	6,501,900
Power revenues	6,044,160	3,918,600
Total	12,113,500	10,420,500

[NOTE.—] The increased repayment by the water users results largely from an allocation of part of the operating costs to area redevelopment.

We are informed by the Treasury Department that application of the formula for determination of interest rates set forth in the President's instructions of May 15, 1962, will result in a rate of 3 percent in fiscal year 1964 in lieu of the $2\frac{7}{8}$ percent used in the reevaluation. This minor change in interest rate will have no substantial effect upon the analyses.

¹ Excluded from this publication.

Therefore, in order to adopt the revised economic and financial analyses described herein, our proposed report of November 30, 1962, is hereby modified as necessary.

I recommend that you approve and adopt this report as your report on the Chelan division, Chief Joseph Dam project, Washington, and that you transmit it, together with the attached comments, and reevaluation statement¹ to the President and subsequently to the Congress in accordance with the Reclamation Act of 1939.

Respectfully,

N. B. BENNETT, Jr.,
Acting Commissioner.

Approved and adopted September 13, 1963.

JOHN A. CARVER, Jr.,
Acting Secretary of the Interior.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., September 13, 1963.

The PRESIDENT,
The White House,
Washington, D.C.
(Through Bureau of the Budget).

DEAR MR. PRESIDENT: My report on a plan of development for the Chelan division, Chief Joseph Dam project, Washington, is transmitted herewith pursuant to the Reclamation Project Act of 1939 (53 Stat. 1187).

The proposed plan provides for rehabilitation of existing works and construction of new facilities to serve both supplemental and full irrigation water supplies to 5,770 irrigable acres comprising the Lake Chehan Reclamation District. The plan is engineeringly feasible and economically justified, with benefits well in excess of costs. The local people strongly support the proposed plan, which, if put into effect, would stimulate the economy of the area.

The proposed report was transmitted to the States of the Columbia River Basin and to the interested Federal agencies for review as required by law and interagency agreement. Copies of the review comments received are attached to the report.

My final report presents the results of a reevaluation of the unit to reflect the policies, standards, and procedures in the formulation, evaluation, and review of plans for use and development of water and related land resources approved by you on May 15, 1962.

I recommend that the plan of development for the Chelan division, Chief Joseph Dam project, be authorized as set forth in my report. I shall appreciate having advice concerning the relationship of the division to your program before transmitting

¹ Excluded from this publication.

the report to the Congress for its consideration and appropriate action as provided in the Reclamation Project Act of 1939.

Sincerely yours,

JOHN A. CARVER, Jr.,
Acting Secretary of the Interior.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., February 3, 1964.

Hon. STEWART L. UDALL,
Secretary of the Interior,
Washington, D.C.

DEAR MR. SECRETARY: This is in reply to Acting Secretary Carver's letter of September 13, 1963, transmitting your proposed report on the Chelan division, Chief Joseph Dam project, Washington, and requesting advice as to the relationship of the proposed project to the President's program.

The proposed plan provides for rehabilitation and improvement of existing irrigation works and construction of new facilities to serve 5,490 irrigable acres. The total cost is estimated to be \$12,363,000.

The administration has recommended the enactment of legislation, introduced as H.R. 9032, to provide uniform policies for cost sharing and reimbursement for recreation and fish and wildlife at water resource projects. We would expect that, prior to a request for construction appropriations, the costs of the Chelan division would be reallocated to conform with the then existing cost sharing and reimbursement policies for recreation and fish and wildlife.

There would be no objection to the submission of your report to the Congress. No commitment can be made at this time as to when any estimate of appropriation would be submitted for the project since this would be governed by the President's budgetary objectives as determined by the then prevailing fiscal situation.

Sincerely,

ELMER B. STAATS,
Deputy Director.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., February 17, 1964.

Hon. JOHN W. MCCORMACK,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: The report of the Secretary of the Interior on the Chelan division, Chief Joseph Dam project, Washington,

is transmitted herewith as provided by section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187).

The report presents a plan to provide irrigation water supply to 5,770 acres of land within the Lake Chelan Reclamation District. This district is located on the north side of Lake Chelan in central Washington. The proposed development is multiple purpose in scope, providing fish and wildlife and recreation benefits in addition to irrigation, and serving an area which has been designated as a rural redevelopment area under the Area Redevelopment Act of 1961. The proposed plan is engineeringly feasible and economically justified.

The Secretary's proposed report on this project was transmitted to the affected States and interested Federal agencies for review as required by law and interagency agreement. All comments which have been received as a result of this review are attached to the report.

The report and copies of the comments received were submitted to the President on September 13, 1963. Enclosed is a copy of a letter dated February 3, 1964, from the Deputy Director of the Bureau of the Budget which states that there would be no objection to the submission of this report to the Congress.

It is recommended that construction of the Chelan division, Chief Joseph Dam project, Washington, be authorized as set forth in the attached report.

Sincerely yours,

KENNETH HOLUM,
Assistant Secretary of the Interior.

MANSON UNIT AUTHORIZING ACT

An act to authorize the Secretary of the Interior to construct, operate, and maintain the Manson unit, Chelan division, Chief Joseph Dam project, Washington, and for other purposes. (Act of September 7, 1966, 80 Stat. 704, Public Law 89-557.)

SEC. 1. [Authorization.] That, for the purposes of supplying irrigation water for approximately five thousand eight hundred acres of land, undertaking the rehabilitation and betterment of works serving a major portion of these lands, conservation and development of fish and wildlife resources, and enhancement of recreation opportunities, the Secretary of the Interior is authorized to construct, operate, and maintain the Manson unit, Chelan division, Chief Joseph Dam project, Washington, in accordance with the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388 and Acts amendatory thereof or supplementary thereto). The principal works of the unit shall consist of dams and related works for enlargement of Antilon Lake storage, related canals, conduits, and distribution systems, and works incidental to the rehabilitation of the existing irrigation system.

SEC. 2. [Irrigation repayment contracts.] Irrigation repayment contracts shall provide for repayment of the obligation assumed thereunder with respect to any contract unit over a period of not more than fifty years exclusive of any development period authorized by law. Construction costs allocated to irrigation beyond the ability of the irrigators to repay during the repayment period shall be returned to the reclamation fund within said repayment period from revenues derived by the Secretary from the disposition of power marketed through the Bonneville Power Administration. The term "construction costs", as used herein, shall include any irrigation operation, maintenance, and replacement costs during the development period which the Secretary finds it proper to fund because they are beyond the ability of the irrigators to pay during that period. Power and energy required for irrigation water pumping for the Manson unit shall be made available by the Secretary from the Federal Columbia River power system at charges determined by the Secretary.

SEC. 3. [Fish and wildlife resources and recreation.] The conservation and development of the fish and wildlife resources and the enhancement of recreation opportunities in connection with the Manson unit shall be in accordance with provisions of the Federal Water Project Recreation Act (79 Stat. 213).

SEC. 4. [Restrictions.] For a period of ten years from the date of enactment of this Act, no water shall be delivered to any water user on the Manson unit, Chelan division, for the production on newly irrigated lands of any basic agricultural commodity, as defined in the Agricultural Act of 1949, or any amendment thereof, if the total supply of such commodity for the marketing year in which the bulk of the crop would normally be marketed is in excess of the normal supply as defined in section 301(b)(10) of the Agricultural Adjustment Act of 1938, as amended, unless the Secretary of Agriculture calls for an increase in production of such commodity in the interest of national security.

SEC. 5. [Appropriation authorized.] There are hereby authorized to be appropriated for construction of the new works involved in the Manson unit, \$13,344,000 (April 1965 prices), plus or minus such amounts, if any, as may be required by reason of changes in the cost of construction work of the types involved therein as shown by engineering cost indexes and, in addition thereto, such sums as may be required to operate and maintain said unit.

COLORADO-BIG THOMPSON PROJECT

COLORADO

[Additional extracts from Senate Document No. 80, 75th Congress, June 15, 1937.]¹

TENTATIVE PROJECT FINANCIAL SET-UPS

This proposed development consists of two projects: first, the irrigation project, and second, the power project.

It is planned that those features of the development that are used mainly for irrigation are grouped under the irrigation project set-up, while those used entirely, or are made of a greater capacity because of power development, are grouped in whole or in part in the power project set-up.

IRRIGATION PROJECT

The following major features with their appurtenant structures are given with the estimated field costs including 10 percent for engineering and 15 percent for contingencies. The full capacity of Arkins Reservoir is necessary to develop a larger portion of firm power than would otherwise be possible without it. At the same time, a reservoir of half its capacity or additional capacity in Horsetooth or Carter Lake Reservoirs would be necessary to provide capacity to deliver the irrigation water as needed. It is, therefore, deemed equitable to divide the cost of this reservoir equally between the irrigation and power projects.

The Green Mountain Reservoir, with a capacity of 152,000 acre-feet, is larger than is necessary to furnish replacement for a like amount of water diverted by the project above Granby Dam at a time when it would be required for irrigation, present and future, and to furnish the Shoshone power plant 1,250 second-feet or such lesser amount that they would be entitled to receive if the proposed project was not operating. From studies made, it appears that 50,000 acre-feet will be sufficient to replace all the water that the proposed project will take at a time when required for use lower down in the stream within the State. Therefore 52,000 acre-feet of the Green Mountain Reservoir capacity is allocated for replacement (including evaporation losses) and charged to the irrigation project. The balance of the capacity or 100,000 acre-feet is allocated to the power project and is to be paid for out of power revenues.

¹ These additional extracts follow those cited on pages 306-311 of the 1957 edition.

The following is a summary of the irrigation project costs:

Estimated cost chargeable to irrigation feature

Willow Creek feeder canal	\$733,203
Granby Reservoir	2,813,703
Granby pumping plant	1,250,000
Granby pump canal	417,553
North Fork diversion dam	483,928
Continental Divide tunnel	7,271,371
Carter Lake supply canal	710,629
Horsetooth supply canal	1,208,391
St. Vrain feeder canal	368,951
Big Thompson feeder canal	155,246
Poudre feeder canal	632,843
Poudre Valley feeder canal	11,436
North Poudre feeder canal	128,889
North Poudre pumping plant	200,000
Horsetooth Reservoir	3,625,021
Arkins Reservoir	1,859,323
Carter Lake Reservoir	1,925,253
Green Mountain Reservoir (52,000 acre-feet replacement) (100,000 acre-feet for power)	3,776,032
Improvement of Colorado River above Kremmling to maintain fishing and to adjust the present irrigation system to the altered conditions	300,000
	<hr/>
	27,871,772
Less the following items tentatively chargeable to power:	
One-half cost of Arkins Reservoir	\$929,661
Portion of cost of Green Mountain Reservoir for 100,000 acre-feet	2,276,032
	<hr/>
	3,205,693
Cost of irrigation features	24,666,079
Say	24,800,000

REPAYMENT

Twenty-four million eight hundred thousand dollars upon 310,000 acre-feet at \$80 per acre-foot.

Two dollars per acre-foot on 40-year repayment basis.

In the above repayment is predicated upon the contracts to be made upon a basis of 310,000 acre-feet. Beside the 320,000 acre-feet available from the Colorado River drainage there is an average of 16,000 acre-feet available for storage on the Big Thompson, making 336,000 acre-feet in all, leaving 26,000 acre-feet for losses on the eastern slope and for the uncertain, heretofore mentioned in operations on the western slope.

The power costs are shown under the heading "Power and pumping system."

The construction of power plant no. 1 as shown in the power set-up is a necessary development in order to secure power for pumping purposes at the Granby pumping plant.

FULL POWER DEVELOPMENT

The results of this study indicate that the initial installation proposed is sufficient from a financial standpoint to return all necessary costs of operation and repayments.

There are five additional plants that can be developed in the future in a manner that will keep pace with the power requirements of the section that may be served and not have a large unearning investment tied up for some years.

The following is an estimate of the cost of the additional power plants that may be constructed in the future, but are not a part of the initial development.

Power plant No. 5	\$1,190,000
Green Mountain-Ka Rose transmission line	130,000
Operator's quarters	60,000
Substation (20,000 kilowatts)	200,000
Subtotal	1,580,000
Interest during construction, 3 percent	47,400
	1,627,400

The above plant, together with plant no. 1, will produce: 113,000,000 kilowatt-hours firm power annually; 92,000,000 kilowatt-hours secondary power annually.

The following are the construction costs of developing power plants nos. 2, 3, 4, and 4-A with appurtenant structures:

Power plant No. 2	\$2,325,000
Power plant No. 3	665,000
Power plant No. 4	760,000
Power plant No. 4-A	420,000
Power canal No. 2	2,444,000
Power canal No. 3	493,000
Power canal No. 3-A	113,000
Power canal No. 4	1,194,000
Operators' quarters	150,000
Substations (90,000 kilowatt hours)	900,000
Additional transmission lines	311,000
Subtotal	9,775,000
Interest during construction, 3 percent	293,250
Total repayable in 50 years with interest	10,068,250
Arkins Canal feeder, payable in 40 years without interest	351,000
Total power plants Nos. 2, 3, 4, and 4-A	10,419,250
Total power plant No. 5	1,627,400
Total second-stage development	12,046,650
Primary development plant No. 1	7,036,693
Cost of full power development	¹ 19,083,243

¹ Sic. (\$19,083,343.)

The total salable output of the full development is estimated as follows, exclusive of that used for pumping:

	Kilowatt-hours
Firm power, annually	360,000,000
Secondary power, annually	¹ 200,000,000

¹ Out of an available production of 387,000,000 kilowatt-hours secondary power.

CONCLUSIONS

(1) There is a large area (615,000 acres) of irrigated land in northeastern Colorado, the major portion of which has an inadequate water supply.

(2) The feasible storage possibilities with the available water supply in the drainage area has been exhausted.

(3) There is at least an available water supply of 310,000 acre-feet on the upper drainage area of the Colorado River that can be diverted to supplement the present water supply on the eastern slope.

(4) That the diversion of this quantity of water from the Colorado River watershed will not interfere with or encroach upon the present or future irrigation along the Colorado River and tributaries within the State, with the protection provided in the Green Mountain Reservoir.

(5) That the plan for the project here laid out appears entirely feasible from a construction point of view.

(6) That the cost of construction estimated at \$2 per acre-foot per annum over the repayment period of 40 years is less than storage water is now commanding and that it will increase the crop values five or more times this annual cost, showing its economic worth.

(7) That the power developments that may be made in the six power plants will produce a large quantity of cheap hydro-electric power that will materially benefit Colorado.

(8) That the revenues from the commercial power generated at power plant no. 1 will pay for the power features as set up under the initial power development, in addition to the power required for pumping at Granby pumping plant, and in lieu of the irrigation features used in power development, the operation of the system to a point where the water leaves the tailrace of the lower power plants can be taken care of by the power development.

(9) That the cost of the irrigation feature of the project is within the ability of the water users to pay.

ALVA B. ADAMS TUNNEL

An act to provide that the transmountain tunnel constructed in connection with the Colorado-Big Thompson project shall be known as the "Alva B. Adams tunnel". (Act of Dec. 20, 1944, ch. 622, 58 Stat. 835, Public Law 78-517.)

That the transmountain tunnel constructed in connection with the Colorado-Big Thompson reclamation project shall hereafter be known as the "Alva B. Adams tunnel."

COLORADO RIVER FRONT WORK AND LEVEE SYSTEM

ARIZONA-CALIFORNIA-NEVADA AMEND ACT AUTHORIZING PROTECTION AND DRAINAGE WORKS

An act to amend the act of June 28, 1946, authorizing the performance of necessary protection work between the Yuma project and Boulder Dam by the Bureau of Reclamation. (Act of May 1, 1958, 72 Stat. 101, Public Law 85-389.)

[Protection work.] That that portion of the Act of June 28, 1946 (60 Stat. 338), which reads “(b) constructing, improving, extending, operating, and maintaining protection and drainage works and systems along the Colorado River” is amended by adding at the end thereof the following: “including such protection and drainage works and systems within a non-Federal reclamation project when need for such systems results from irrigation operations on Federal reclamation projects”.

COLORADO RIVER STORAGE PROJECT AND PARTICIPATING PROJECTS

ARIZONA-COLORADO-NEW MEXICO-UTAH- WYOMING

By act of Congress on August 16, 1962 (76 Stat. 389), the Basalt project, Colorado, was added to the list for participating projects to receive priority status in completion of planning reports.

The coordinated feasibility report on San Juan-Chama and Navajo Indian Irrigation participating projects was transmitted by the Secretary of the Interior to the Congress on June 16, 1960 (H. Doc. No. 424, 86th Cong.). Construction was authorized by act of Congress on June 13, 1962 (76 Stat. 96).

The Savery-Pot Hook project was found feasible in the report sent to the Congress by the Secretary of the Interior on June 25, 1962 (H. Doc. No. 461, 87th Cong.); the Bostwick Park project on July 20, 1962 (H. Doc. No. 487, 87th Cong.); and the Fruitland Mesa project on April 19, 1963 (H. Doc. No. 107, 88th Cong.). The three projects were authorized by act of Congress as participating projects under the Colorado River Storage Project Act on September 2, 1964 (78 Stat. 852).

The Secretary of the Interior transmitted his feasibility reports to the Congress on May 3, 1966, for Animas-La Plata project in Colorado-New Mexico (H. Doc. 436, 89th Cong.); Dallas Creek (H. Doc. 433, 89th Cong.); San Miguel (H. Doc. 435, 89 Cong.); and West Divide (H. Doc. 434, 89th Cong.) projects in Colorado. The feasibility report for Dolores project in Colorado (H. Doc. 412, 87th Cong.) was transmitted on March 15, 1966. These five projects were authorized by Congress as participating projects in the Colorado River Basin Project Act of September 30, 1968 (82 Stat. 896).

Authorization by this Act (82 Stat. 896, 897) of the Uintah Unit of Central Utah project was provisional subject to a feasibility report by the Secretary and authorization of appropriations by Congress. The authorization of the Pine River Extension project in the Act of April 11, 1956, was deleted.

ADDITIONAL DOCUMENTS RELATED TO PROJECT AUTHORIZATION

[Extracts from House Report No. 1087 to accompany H.R. 3383, 84th Congress]

Financial Aspects—The plan for the Colorado River storage project and participating projects is financially sound. It has been

subjected to the most rigid economic and financial requirements. The construction costs, the cost allocations, and the repayment data for the units and participating projects recommended for authorization in the bill are summarized in table 1. The bill authorizes the appropriation of \$760 million. This compares with \$950 million recommended by the administration.***

The total construction cost of the initial units and participating projects recommended for authorization is estimated by the Department at \$901.7 million. This includes about \$7.3 million for the authorized Eden project now nearing completion and about \$2 million already expended on the Paonia project under a previous authorization. This cost also includes a transmission system necessary to deliver electrical energy to power market centers. If arrangements are worked out between the Department and the private utilities serving the area whereby the Federal Government constructs only the interconnecting trunkline and the remainder of the system is constructed by the private utilities, the construction cost would be considerably reduced as would the purchase price for the project power and energy.

Only about \$8.2 million, or less than 1 percent, of the total cost, is nonreimbursable for flood control, fish and wildlife, and recreation. The remainder of over 99 percent is allocated to irrigation, power, and municipal water supply as follows: \$331.6 million to irrigation, \$510.9 million to power, and \$45.5 million to municipal water supply.

The committee reduced by 10 percent the above construction cost estimates and cost allocations of the Department in establishing the amount authorized to be appropriated. Testimony given the committee indicates that there has been some reduction in price levels applicable to the type of construction herein involved and that recent bids from contractors have consistently been below the engineers' estimates. This testimony, plus evidence that the amount included in the Department's estimates for overhead and contingencies is high, contributed to this action by the committee reducing the Department's estimated costs by 10 percent. The committee has not included funds for construction of the Curecanti unit as the Department is presently studying a modified plan for this unit and a report demonstrating its feasibility must be submitted to the Congress. It is the committee's view that funds should be authorized at the time the report is submitted to the Congress. The funds for the construction of the Eden project have previously been authorized to be appropriated and therefore no funds for the Eden project are included. Also, the amount previously authorized and expended on the Paonia project is not included. The committee included funds for units and projects totaling \$758.8 million, as shown in table 1. The figure was rounded to \$760 million in establishing the amount authorized to be appropriated.

The entire amount for power and municipal water supply of about \$463.7 million, on the basis of the committee's figures, would

TABLE 1.—Summary of units of Colorado River Storage project and participating projects authorized by the bill.

Project and state	Lands to be irrigated		Generating capacity	Municipal water annually	Stream depletion annually	Construction costs				Repayment of reimbursable costs			Funds authorized to be appropriated ¹	
	New	Supplemental				Total	Nonreimbursable	Reimbursable allocations			By water users	By initial power units (Flaming Gorge, Glen Canyon, Central Utah)		Total
								Power	Municipal water	Irrigation				
Colorado River Storage project, initial units:	Acres	Acres	Kilo-watts	Acre-feet	Acre-feet									
Glen Canyon, Ariz.—Utah			800,000		526,000	\$421,270,000		\$370,974,000		\$50,296,000		\$421,270,000	\$421,270,000	\$379,143,000
Flaming Gorge, Utah-Wyo.			72,000		56,000	82,942,000		52,042,000		30,900,000		82,942,000	82,942,000	74,648,000
Navajo, N. Mex.					16,000	36,592,000	\$1,208,000			35,294,000		35,294,000	35,294,000	32,933,000
Subtotal			872,000		598,000	540,804,000	1,208,000	423,016,000		116,490,000		539,506,000	539,506,000	486,724,000
Additional Storage unit contingent upon finding of feasibility and report: Cerecanti ²					18,000									(²)
11 participating projects:														
La Barge, Wyo.	7,970				14,200	1,673,300				1,673,300	\$495,000	1,178,300	1,673,300	1,506,000
Seedskadee, Wyo.	60,720				110,400	23,272,000				23,272,000	4,785,000	18,487,000	23,272,000	20,914,800
Lyman, Wyo.		40,600				10,564,000				10,564,000	2,255,000	8,309,000	10,564,000	9,507,600
Silt, Colo.	1,900	5,400			5,800	3,356,000	73,600			3,282,400	1,020,000	2,262,400	3,282,400	3,020,400
Smith Fork, Colo.	2,270	8,160			7,500	3,367,000	24,000			3,343,000	1,045,000	2,298,000	3,343,000	3,030,300
Paonia, Colo.	2,210	14,830			9,000	6,944,000	152,400			6,791,600	2,414,000	4,377,600	6,791,600	³ 4,418,100
Florida, Colo.	6,300	12,650			12,990	6,941,500	437,900			6,503,600	1,711,500	4,792,100	6,503,600	6,247,400
Pine River project extension, Colo.—N. Mex.	15,150				28,300	5,027,000				5,027,000	2,045,000	2,982,000	5,027,000	4,524,300
Emery County, Utah	3,630	20,450			15,500	9,865,500	229,000			9,636,500	3,715,000	5,921,500	9,636,500	8,879,000
Central Utah (initial phase), Utah	28,540	131,840	61,000	48,800	189,400	231,044,000	5,991,000	46,699,000	\$45,500,000	127,354,000	⁴ 60,691,000	⁵ 158,862,000	219,553,000	207,939,600
Hammond, N. Mex.	3,670				7,900	2,302,000				2,302,000	370,000	1,932,000	2,302,000	2,071,800
Subtotal, 11 initial projects	132,360	233,930	61,000	48,800	400,900	304,356,300	6,907,900	46,699,000	45,500,000	199,749,400	80,546,500	211,401,900	291,948,400	272,089,300
Additional participating project authorized and under construction: Eden, Wyo.	10,660	9,510			32,400	7,287,000				7,287,000	1,500,000	5,787,000	7,287,000	(⁶)
Total, 12 participating projects	143,020	243,470	61,000	48,800	433,300	311,643,300	6,907,900	46,699,000	45,500,000	207,036,400	82,046,500	217,188,900	299,235,400	272,089,300
Grand total	143,020	243,470	933,000	48,800	1,049,300	852,447,300	8,205,900	7469,715,000	745,500,000	323,526,400	82,046,500	756,694,900	838,741,400	⁸ 758,813,300

¹ The Department's estimates have been reduced by 10 percent. Testimony indicates that there has been a reduction in price levels applicable to the type of construction here involved and that recent bids from contractors have consistently been below the estimates. Also, there is evidence that the amount included in the Department's estimates for overhead and contingencies is high.

² The committee did not include funds for the Curecanti unit as Department is presently studying modified plan, a report on which must be submitted to the Congress. Firm data on unit not available.

³ The amount of \$2,035,000 previously authorized and expended has been deducted from estimated cost.

⁴ Includes \$15,191,000 in irrigation revenues and \$45,500,000 from municipal and industrial water users.

⁵ Exclusive of \$5,500,000 allocable to purposes of the ultimate phase of Central Utah project.

⁶ Included in the bill for obtaining financial assistance only. No authorization of funds required.

⁷ Allocations to power and municipal water as reduced by committee (see footnote 9) are repaid with interest including interest during construction.

⁸ Allocation to irrigation as reduced by committee (see footnote 9) is repaid in equal annual installments in 50 years plus any development period authorized, except for Paonia and Eden, which are covered by existing law.

⁹ Includes about \$282.8 million for irrigation, \$422.7 million for power, \$41 million for municipal water, \$7.4 million nonreimbursable, and \$4.9 million allocable to purposes of the ultimate phase of the Central Utah project.

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be returned to the United States Treasury with interest not only on the investment but also with interest accruing during the construction period. While the amount for irrigation in the bill of about \$282.8 million does not bear interest, pursuant to the 50-year-old principle of reclamation law, this amount would be returned, under the provisions of the bill, in equal annual installments in 50 years plus any development period authorized. In recognition of the many indirect benefits that accrue to those living in the vicinity or on the irrigation projects, the indirect beneficiaries in the immediate area would aid in the repayment of irrigation costs through an ad valorem tax.

In a 50-year period following the last power installation, net power revenues from the power facilities herein authorized are estimated at \$1,075 million. Irrigation revenues in 50 years from the irrigation projects herein authorized are estimated at \$36.6 million. The \$1,075 million from power revenues would be sufficient to pay the power investment of \$422.7 million, interest on the power investment of about \$320 million to the Federal Treasury, the necessary financial assistance to irrigation of \$246.2 million (\$282.8 million minus \$36.6 million), and leave a surplus at the end of the period of about \$86 million. Municipal water revenues would be sufficient to repay the municipal water allocation with interest including interest during construction.

After the project has been completely repaid, the net power revenues amounting to from \$15 million to \$20 million annually for the units herein authorized will continue to flow into the Treasury. Over the long run, these additional revenues will more than offset the cost to the Federal Government resulting from interest-free financing for the irrigation investment. Thus, it is evident that the repayment plan is sound and that repayment is in accordance with the normal procedure for reclamation projects. It appears that the returns from the units herein authorized would, in the long run, be an asset purely from a financial standpoint, to say nothing of the tremendous returns to the economic well-being of the Nation in terms of increased wealth, broadened tax base, new farms and homes, etc.***

The average project cost per acre for the lands to be irrigated ranges from \$190 per acre to \$715 per acre. These per-acre costs are not unusually high for reclamation projects being planned today. The good projects, from the standpoint of cost, have been constructed. The justification for these per-acre expenditures lies in the returns from the development over the years and not on the market value of the land after it is irrigated. Although there is a relationship between the direct benefits resulting from irrigation and the increased value of the land, this cannot be used as a measure of project justification. Project justification is measured by comparing, over the economic life, the increased annual benefits or effects, direct and indirect, resulting from construction of the projects with the annual cost of such construction. All the participating irrigation projects herein recommended are justified

on this basis. To speak in terms of cost without considering the resulting returns is meaningless. For instance, the Central Utah project, which has a per-acre cost almost 4 times as high as the La Barge project, has about the same benefit-cost ratio.

[Extracts from Conference Report No. 1950, 84th Congress, March 27, 1956 (to accompany S. 500).]

Scope of the Project.—With respect to the scope of the project, the conference committee agreed to retain in the bill for authorization only the four storage units and eleven participating projects in the House-approved bill.

The matter of retaining intact our national park system was an important issue in the consideration by Congress of this legislation. The House-approved bill—

- (1) deleting the Echo Park storage unit;
- (2) requiring “protective measures to preclude impairment of the Rainbow Bridge National Monument”; and
- (3) expressing the “intention of Congress that no dam or reservoir constructed under the authorization of this Act shall be within any national park or monument”—

makes clear the intention of the House that there be no invasion or impairment of the national park system by the works authorized to be constructed under this legislation.***

The sum of \$760 million remains in the bill as the amount authorized to be appropriated. However, the conference committee, in retaining this amount in the bill, agreed that it should not be earmarked project-wise and that there is no prohibition against the use of such funds for the construction of the Curecanti unit, subject to the certification by the Secretary required in section 1 of the act.***

AMEND INTEREST RATE

[Extract from] An act to authorize the Secretary of the Interior to construct, operate, and maintain the Norman project, Oklahoma, and for other purposes. (Act of June 27, 1960, 74 Stat. 225, 227, Public Law 86-529.)

SEC. 9. [Interest rate.] Section 5(f) of the Act entitled “An Act to authorize the Secretary of the Interior to construct, operate, and maintain the Colorado River storage project and participating projects, and for other purposes”, approved April 11, 1956 (70 Stat. 109), is amended effective June 1, 1960, to read as follows:

“The interest rate applicable to each unit of the storage project and each participating project for purposes of computing interest during construction and interest on the unpaid balance shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which construction is initiated, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations, which are neither due nor callable for redemption for fifteen years from the date of issue.”

CURECANTI UNIT

COLORADO

[House Document No. 201, 86th Cong.]

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington 25, D.C., May 15, 1959.

(Through the Bureau of the Budget).

The PRESIDENT
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: This is my supplemental report on the Curecanti storage unit of the Colorado River storage project in Colorado. It is based on and includes the enclosed "Economic Justification Report"¹ of February 1959 which was prepared by the Bureau of Reclamation. Appended to that report are the reports of the cooperating agencies.¹

The Curecanti storage unit is one of the four initial units of the storage project authorized by the act of April 11, 1956 (70 Stat. 105). Among other things, the act provides that construction of the Curecanti unit "shall not be undertaken until the Secretary has, on the basis of further engineering and economic investigations, reexamined the economic justification of such unit and, accompanied by appropriate documentation in the form of a supplemental report, has certified to the Congress and to the President that, in his judgment, the benefits of such unit will exceed its costs * * *."

The State of Colorado has desired that this supplemental report be completed as soon as practicable. Its completion at this time was facilitated through the contribution of \$35,000 by the State toward the costs of investigations in fiscal year 1958.

As a result of the further engineering and economic investigations of the unit and based solely on the tangible cost and benefit values available, the two-dam plan (Blue Mesa and Morrow Point) presented in the enclosed report for development of the water storage and hydroelectric power generating potentialities and other purposes in the Gunnison River in Colorado is found to be engineeringly feasible and economically justified.

Of the number of plans considered by the Bureau of Reclamation, the most favorable has been found to be either the two-dam plan including developments at the Blue Mesa and Morrow Point sites or a three-dam plan including developments at those two sites and also at the Crystal site. Each of these features would include a dam, reservoir, and powerplant. The two developments at Blue Mesa and Morrow Point would have a total reservoir

¹ Excluded from this publication.

capacity of about 1,030,000 acre-feet and an installed interconnected powerplant capacity of about 100,000 kilowatts.

The aforesaid authorizing act establishes a high waterline elevation of 7,520 feet above sea level for the reservoir to be created by construction of a dam at the Blue Mesa site (designated as the Curecanti Dam in the act). The designed storage capacity of the Blue Mesa Reservoir as presented in the report is about 915,000 acre-feet with a normal high water elevation of 7,516.5 above sea level. When allowance is made for flood surcharge capacity and backwater effect in the reservoir, the elevation of the maximum water level would be about 7,520 feet above sea level, as provided by the act.

Additional feasibility investigations are still underway on the more inaccessible downstream Crystal site. A reconnaissance appraisal indicates that the Crystal feature, through its own power production capabilities and its effect in increasing power values at the next upstream Morrow Point feature (with an increased power installation), would at least not detract from and might improve the economy of the Curecanti unit over that which would be provided by only the Blue Mesa and Morrow Point features as presented in the report. Should detailed studies of the Crystal feature support the tentative conclusion just indicated, it will be included as a segment of the Curecanti unit by supplemental report. Should detailed studies show the Crystal development to be unfavorable for any reason, however, the Blue Mesa and Morrow Point features together would comprise the most favorable plan for the unit.

In addition to developing the water storage and hydroelectric power generating potentialities in this region of the Gunnison, the Curecanti unit would regulate streamflows and provide downstream flood control, recreation, and irrigation benefits as presented in the enclosed economic justification report.

The appended report of the National Park Service,¹ which was prepared by its field office, indicates that the reservoirs, if constructed, would provide extensive recreation benefits. The field report was revised recently by the Washington office of the National Park Service to amplify the presentation on the existing recreational opportunities in this section of the Gunnison River with specific reference to the findings of the Bureau of Sport Fisheries and Wildlife. This revision, however, does not modify the plan, estimated costs, and benefits for recreation use and development of the unit as presented in the appended field report. Accordingly, the appended field report¹ is hereby revised to reflect these further views of the National Park Service on the present recreation use and values of the proposed reservoir sites.

An analysis by the Forest Service also indicates, on the basis of past experience with similar reclamation developments such as Taylor Park Reservoir which is also in the Gunnison National Forest, that there will be a large increase in recreation use during and after construction of this unit.

¹ Excluded from this publication.

The report of the Bureau of Sport Fisheries and Wildlife points out that development of other resources in this basin should be consistent with the conservation and development of fish and wildlife resources. The Gunnison River is famous across the Nation as one of the country's outstanding trout streams. Deer and elk hunters, too, come not only from Colorado but from other States as well to pursue their sport here. Construction of the Curecanti unit in the opinion of the Bureau of Sport Fisheries and Wildlife would destroy or seriously damage this nationally significant fish and wildlife area. As there is no known feasible means of replacing the fishery values in kind and quality nor of significantly mitigating the damages to the fish and wildlife resources if the unit is constructed, the Bureau of Sport Fisheries and Wildlife concludes that preservation of the unique "big-stream" fishery of the Gunnison River is in the national interest and the unit should not be constructed.

As possible uses of the natural resources comprising certain sections of the Gunnison River seemed to be incompatible, it was necessary to determine whether, on the one hand, the area should be developed for hydroelectric power, flood control, irrigation, and other purposes, or, on the other hand, should be dedicated primarily to continuation of the big-stream fishery and the big-game winter habitat. Consequently, before reaching a final decision, the official views and recommendations of the State of Colorado were invited on how best to utilize the area. Such views, including those of the Colorado Game and Fish Department, would be particularly helpful on the question of whether or not the intangible fish and wildlife aspects are sufficient to outweigh the tangible benefits and thereby result in a finding that the total benefits do not exceed the costs. A copy of my letter of March 20, 1959, to the Governor of Colorado is enclosed.¹

By letter of April 1959, copy also enclosed,¹ the Governor submitted the views and recommendations of the State of Colorado. The letter states in part that—

the people of the State of Colorado and their Department of Natural Resources, representing all the official State agencies concerned, will spare no effort to get the immediate construction of Curecanti Reservoir underway * * * and * * * since all obstacles have now been removed we shall expect and look forward to the full cooperation of your department.

The letter leaves no doubt as to the unequivocal approval of the Curecanti unit by the State of Colorado.

The estimated total cost of constructing the two-dam plan of development as presented in the enclosed economic justification report is about \$72.5 million, based upon November 1958 prices. The further economic investigations of this development show that the evaluated annual benefits compare with the estimated annual costs in a ratio of about 1.23 to 1. This economic evaluation does not take into consideration the intangible adverse effects of the development upon the fish and wildlife resources. Although the values of these resources cannot be expressed ade-

¹ Excluded from this publication.

quately in monetary terms, the Bureau of Sport Fisheries and Wildlife estimated that the construction of the unit could be expected to result in a reduction of about \$750,000 annually in the business generated by these fishing and hunting activities.

This estimated reduction, however, would be exceeded by other economic and increased recreation benefits accruing to the area, State, and Nation from this multipurpose development as set forth in the appended reports ¹ and as expressed in resolutions adopted by the people most affected and discussed in the Governor's letter of April 9. The reports of the National Park Service and the Forest Service indicate that the Curecanti unit has a potential recreation significance of the first magnitude for such aquatic sports as boating, fishing, and water skiing, and for picnicking, camping, and overnight lodging. The estimated net monetary recreational benefits generated by this water control development would be about \$832,000 annually. The local industry that has been furnishing recreation supplies and services to visitors would continue to have a like demand during and following construction of the unit.

After carefully considering the views of the people most concerned as well as the several factors involved in this situation, I find that the intangible fish and wildlife damages are not of such magnitude as to outweigh the tangible benefits to be realized by development of the Curecanti unit. As documented by this supplemental report, I hereby certify that, in my judgment, the benefits of such unit will exceed its costs and therefore construction of the unit can be undertaken when funds are appropriated by the Congress for that purpose.

I shall appreciate receiving advice concerning the relationship of the Curecanti unit of the Colorado River storage project to your program before I transmit the supplemental report to the Congress.

Sincerely yours,

FRED A. SEATON,
Secretary of the Interior.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., July 14, 1959.

Hon. SAM RAYBURN,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: This is my supplemental report and certification of economic justification on the Curecanti storage unit of the Colorado River storage project in Colorado.

¹ Excluded from this publication.

The Curecanti storage unit is one of the four initial units of the storage project authorized by the act of April 11, 1956 (70 Stat. 105). Among other things, the authorizing act provides that construction of the Curecanti unit "shall not be undertaken until the Secretary has, on the basis of further engineering and economic investigations, reexamined the economic justification of such unit, and, accompanied by appropriate documentation in the form of a supplemental report, has certified to the Congress and to the President that, in his judgment, the benefits of such unit will exceed its costs * * *."

As a result of the further engineering and economic investigations of the unit and based solely on the tangible cost and benefit values available, the two-dam plan (Blue Mesa and Morrow Point sites) of a possible three-dam plan as presented in the enclosed "Economic Justification Report of February 1959"¹ for development of the water storage and hydroelectric power generating potentialities and other purposes in the Gunnison River in Colorado is found to be engineeringly feasible and economically justified.

Additional feasibility investigations are still under way on the more inaccessible downstream Crystal site. A reconnaissance appraisal indicated that the Crystal feature, through its own power production capabilities and its effect in increasing power values at the next upstream Morrow Point feature (with an increased power installation), would at least not detract from and might improve the economy of the Curecanti unit over that which would be provided by only the Blue Mesa and Morrow Point features as presented in the report. Should detailed studies of the Crystal feature support the tentative conclusion just indicated, it will be included as a segment of the Curecanti unit by supplemental report. Should detailed studies show the Crystal development to be unfavorable for any reason, however, the Blue Mesa and Morrow Point features together would comprise the most favorable plan for the unit.

The estimated total cost of constructing the two-dam plan of development as presented in the enclosed economic justification report is about \$72.5 million, based upon November 1958 prices. The further economic investigations of this development show that the evaluated annual benefits compare with the estimated annual costs in a ratio of about 1.23 to 1 for a 100-year period of analysis and 1.07 to 1 for a 50-year period of analysis. The economic evaluation does not take into consideration the intangible adverse effects of the development upon the fish and wildlife resources. After carefully considering the views of the people most concerned as well as the several factors involved in this situation, I find that the intangible fish and wildlife damages are not of such magnitude as to outweigh the tangible benefits to be realized by development of the Curecanti unit.

My certification on the economic justification of the unit as documented by my supplemental report was submitted to the

¹ Excluded from this publication.

President on May 15, 1959, pursuant to the authorizing act of April 11, 1956. By letter of July 9, 1959, Deputy Budget Director Elmer B. Staats advised that there would be no objection to the submission of the report to the Congress. Copy of the Budget letter is enclosed.¹

As documented by the accompanying supplemental report and its attachments, I hereby certify that, in my judgment, the benefits of the Curecanti storage unit will exceed its costs and therefore construction of the unit can be undertaken when funds are appropriated by the Congress for that purpose.

Sincerely yours,

ELMER F. BENNETT,
Acting Secretary of the Interior.

SUPPLEMENTAL REPORT ON CRYSTAL DAM, CURECANTI UNIT

[House Document No. 77, 88th Cong.]

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington 25, D.C., December 5, 1962.

The PRESIDENT,
The White House,
Washington 25, D.C.
(Through Bureau of the Budget).

DEAR MR. PRESIDENT: This is my supplemental report and certification of economic justification on the Crystal Dam, Reservoir, and Powerplant, which comprise a segment of the Curecanti Unit, Colorado River Storage Project, in Colorado. It further supplements the Department's supplemental report and certification of economic justification on the Curecanti Unit which was transmitted to the Congress on July 14, 1959, as provided by the Colorado River Storage Project Act of April 11, 1956 (70 Stat. 105). The report is based on and includes the attached Economic Justification Report of April 1962, which was prepared by the Bureau of Reclamation. Appended to the Bureau's report are the reports of the cooperating agencies.

The Department's July 14, 1959, supplemental report and certification of economic justification (printed as House Document 201, 86th Congress) found the two-dam plan (Blue Mesa and Morrow Point) of a possible three-dam plan to be engineeringly feasible and economically justified. It also pointed out that a reconnaissance appraisal indicated that inclusion of a third feature, the Crystal segment, through its own power production capabilities and its effect in increasing power values at the next upstream Morrow Point feature (with increased power installa-

¹ Excluded from this publication.

tion) would at least not detract from, and might improve, the economy of the Curecanti Unit over that which would be provided by only the Blue Mesa and Morrow Point features. Additional feasibility studies, as detailed in the attached April 1962 report, show that the Crystal segment, with an accompanying increase in the powerplant capacity of the Morrow Point feature, will be a desirable addition to the plan presented with the Department's July 14, 1959, supplemental report.

The Curecanti Unit was one of the four initial storage units of the Colorado River Storage Project authorized by the Act of April 11, 1956. Authorization of the unit was made subject to the provision that construction not be undertaken until the Secretary of the Interior reexamined the economic justification of the unit and certified to the Congress and to the President that, in his judgment, the benefits of such unit would exceed its costs. On the basis of the July 14, 1959, certification by the Secretary and appropriation of funds by the Congress, construction of the Blue Mesa feature was started in July 1960, and the start of construction on the Morrow Point feature is scheduled during F.Y. 1963.

The Crystal segment of the Curecanti Unit will include the Crystal Dam and Reservoir, Crystal powerplant and switchyard, and recreation developments recommended by the National Park Service. The addition of the Crystal segment, by relieving the upstream Morrow Point Reservoir of obligations for river regulation, will permit more efficient power production at Morrow Point and justify increasing the installed generating capacity at Morrow Point Powerplant to 120,000 kilowatts from the 40,000 kilowatts previously planned. The Crystal Dam is planned as an earth and rock-fill structure extending 230 feet above the streambed and will have a crest length of 660 feet. The Crystal Reservoir will have a capacity of 38,190 acre-feet.

The total estimated cost of the three-feature Curecanti Unit as presented in the attached report is \$108,716,000, including \$5,181,000 for recreation facilities recommended by the National Park Service and \$3,235,000 for fish and wildlife conservation measures recommended by the Bureau of Sport Fisheries and Wildlife. As a basis for the economic analyses, the Curecanti Unit was apportioned a share of the construction costs of the Colorado River Storage Project Transmission Division. The total cost apportioned to the unit for the three-feature plan was \$19,752,000. The estimated annual operation, maintenance, and replacement costs for the three-feature unit are \$742,000 and the assigned pro-rata share of the Transmission Division operation, maintenance, and replacement costs is \$384,000.

The incremental costs of including the Crystal segment was estimated at \$30,037,000, including \$29,830,000 in construction costs to be financed through the Upper Colorado River Basin Fund and \$207,000 in construction costs of recreation facilities to be financed under the provision of Section 8 of the project authorizing act. The annual incremental operation, maintenance, and

replacement costs of the segment are estimated at \$188,000, including \$12,000 annually for recreation facilities. Incremental costs of the Transmission Division, prorated to the Curecanti Unit as a result of the Crystal segment, include \$8,772,000 in construction costs and \$171,000 in annual operation, maintenance, and replacement costs. The incremental costs of the segment were taken as the difference between the estimated costs of the three-feature Curecanti Unit and the costs of the two-feature unit as presented in the Bureau of Reclamation's February 1959 report with adjustments for changes in price levels and minor changes in plan since that report was issued. Since the analyses were prepared, savings on the cost of power transmission facilities have been made possible due to the interconnection of the Colorado River Storage Project transmission facilities with those of private utilities. The analyses have not been revised to reflect this change, which, in view of the differential nature of the determination, would have small effect and would not affect the result.

The total installed capacity of the three features of the Curecanti Unit will be 200,000 kilowatts, compared with a capacity of 100,000 kilowatts for the previously certified two-feature plan. Because of transmission losses, the capacity deliverable to load centers at full capacity output will be about 180,000 kilowatts. The gross average annual energy generation at the three powerplants is estimated at 839,000,000 kilowatt-hours over a 100-year period of operation, with a production of 262,000,000 kilowatt-hours annually attributable to inclusion of the Crystal segment. Taking into account transmission losses and allowances credited to Hoover powerplant for decreases in Hoover generation caused by filling of the three reservoirs of the unit, it is estimated that an average of 774,000,000 kilowatt-hours would be available from the three-feature unit for sale annually at delivery points. Over a 100-year period the value of these power benefits would average \$6,457,000 annually, compared with the average annual power benefit values of \$3,596,000 estimated for the two-feature plan under current reservoir operation studies. Power benefits attributable to the addition of the Crystal segment, therefore, are estimated to average \$2,861,000 annually.

In addition to the power benefits, the three-feature Curecanti Unit would provide annual benefits of \$157,000 from irrigation, \$103,000 from flood control, \$832,000 from recreation, and \$17,000 from enhancement of fish and wildlife resources. Annual benefits attributable to the Crystal segment average \$2,893,000 annually, including \$2,861,000 in power benefits and \$32,000 in recreation benefits.

Benefit-cost analyses have been made of the total benefits and costs associated with the three-feature Curecanti Unit and of the incremental benefits and costs associated with the inclusion of the Crystal segment in the unit. Estimated annual benefits of the three-feature Curecanti Unit compares with the estimated average annual equivalent costs in a ratio of 1.18 to 1. The estimated

benefits of adding the Crystal segment to the Curecanti Unit compare with the incremental costs of the segment in a ratio of 1.29 to 1.

The Colorado River Storage Project, including the three-feature Curecanti Unit and power costs of the Central Utah Participating Project, is considered as one project in the repayment studies. The repayment studies show that either with or without the Crystal segment, costs pertaining to the storage project and power costs of the Central Utah Participating Project would be repaid from the Upper Colorado River Basin Fund in less than 50 years after completion of each separable feature or unit. Inclusion of the Crystal segment in the Curecanti Unit would reduce by a few months the time that would otherwise be required to pay the reimbursable costs.

As documented by this supplemental report, I hereby certify that, in my judgment, the benefits of the Crystal segment of the Curecanti Unit exceed its costs and therefore construction of the segment as a feature of the unit as described in this report can be undertaken when funds are appropriated by Congress for that purpose.

I shall appreciate receiving advice concerning the relationship of the Crystal segment of the Curecanti Unit of the Colorado River Storage Project to your program before I transmit this report to the Congress.

Sincerely yours,

STEWART L. UDALL,
Secretary of the Interior.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington 25, D.C., February 25, 1963.

Honorable STEWART L. UDALL,
Secretary of the Interior,
Washington 25, D.C.

DEAR MR. SECRETARY: This will acknowledge receipt of your supplemental report and certification of economic justification of December 5, 1962, on the Crystal dam, reservoir and powerplant, which comprise a segment of the Curecanti Unit, Colorado River storage project, and the economic justification report of April 1962 prepared by the Bureau of Reclamation.

The report further supplements the Department's report on the Curecanti Unit dated July 14, 1959, certifying to the economic justification and engineering feasibility of the two-dam plan (Blue Mesa and Morrow Point) for the unit. The report states that the Crystal segment, with an accompanying increase in the powerplant capacity of the Morrow Point feature, will be a desirable addition to the Curecanti Unit.

The cost of the three-dam plan is estimated to be \$108,716,000, which includes \$5,181,000 for recreation facilities and \$3,235,000 for fish and wildlife. This cost does not include the \$19.7 million estimated cost of the transmission system associated with the Curecanti Unit and shown elsewhere as part of the total cost of the transmission system for the Colorado River storage project. The estimated incremental costs of including the Crystal segment is estimated at \$30,037,000, including an estimated construction cost of \$21,030,000 for the Crystal dam. The benefit-cost ratio for Crystal as an incremental feature is estimated to be 1.29 and the benefit-cost ratio of the Curecanti Unit with Crystal added is estimated to be 1.18.

Accordingly, there would be no objection to the submission of your proposed report to the Congress. However, no commitment can be made at this time as to when any estimate of appropriation would be submitted for construction of the Crystal feature, since this would be governed by the President's budgetary objectives as determined by the then prevailing fiscal situation.

Sincerely yours,

ELMER B. STAATS,
Deputy Director.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington 25, D.C., March 4, 1963.

Hon. JOHN W. MCCORMACK,
Speaker of the House of Representatives,
Washington 25, D.C.

DEAR MR. SPEAKER: This is my supplemental report and certification of economic justification on the Crystal Dam, Reservoir, and Powerplant, which comprise a segment of the Curecanti Unit, Colorado River Storage Project, in Colorado. It further supplements the Department's supplemental report and certification of economic justification on the Curecanti Unit which was transmitted to the Congress on July 14, 1959, as provided by the Colorado River Storage Project Act of April 11, 1956 (70 Stat. 105).

The Curecanti Unit was one of the four initial storage units of the Colorado River Storage Project authorized by the Act of April 11, 1956. Authorization of the unit was made subject to the provision that construction not be undertaken until the Secretary of the Interior reexamined the economic justification of the unit and certified to the Congress and to the President that, in his judgment, the benefits of such unit would exceed its costs. The Department's July 14, 1959, supplemental report and certification of economic justification (printed as House Document 201, 86th

Congress) found the two-dam plan (Blue Mesa and Morrow Point) of a possible three-dam plan to be engineeringly feasible and economically justified. The report also pointed out that a reconnaissance appraisal indicated that inclusion of a third feature, the Crystal segment, through its own power production capabilities and its effect in increasing power values at the next upstream Morrow Point feature (with an increased power installation) would at least not detract from, and might improve, the economy of the Curecanti Unit over that which would be provided by only the Blue Mesa and Morrow Point features. On the basis of the July 14, 1959, certification by the Secretary and appropriation of funds by the Congress, construction of the Blue Mesa feature was started in July 1960, and the start of construction on the Morrow Point feature is scheduled during F.Y. 1963.

Additional feasibility studies, as detailed in the attached Economic Justification Report of April 1962, show that the Crystal segment, with an accompanying increase in the powerplant capacity of the Morrow Point feature, will be a desirable addition to the plan presented with the Department's July 14, 1959, supplemental report.

The total estimated cost of the three-feature Curecanti Unit as presented in the attached economic justification report¹ is \$108,716,000, including \$5,181,000 for recreation facilities recommended by the National Park Service and \$3,235,000 for fish and wildlife conservation measures recommended by the Bureau of Sport Fisheries and Wildlife. The incremental costs of including the Crystal segment was estimated at \$30,037,000, including \$29,830,000 in construction costs to be financed through the Upper Colorado River Basin Fund and \$207,000 in construction costs of recreation facilities to be financed under the provision of Section 8 of the Project Authorizing Act.

Benefit-cost analyses have been made of the total benefits and costs associated with the three-feature Curecanti Unit and of the incremental benefits and costs associated with the inclusion of the Crystal segment in the unit. Estimated annual benefits of the three-feature Curecanti Unit compare with the estimated average annual equivalent costs in a ratio of 1.18 to 1. The estimated benefits of adding the Crystal segment to the Curecanti Unit compare with the incremental costs of the segment in a ratio of 1.29 to 1.

My certification on the economic justification of the Crystal segment of the Curecanti Unit, copy enclosed, was submitted to the President on December 5, 1962, pursuant to the authorizing act of April 11, 1956. By letter of February 25, 1963, Deputy Budget Director Elmer B. Staats advised that there would be no objection to the submission of the report to the Congress. Copy of the Budget letter also is enclosed.

As documented by the accompanying economic justification report,¹ I hereby certify that, in my judgment, the benefits of the Crystal segment will exceed its costs and therefore construc-

¹ Excluded from this publication.

tion of the segment as a feature of the unit can be undertaken when funds are appropriated by Congress for that purpose.

Sincerely yours,

KENNETH HOLUM,

Assistant Secretary of the Interior.

Identical letter to Hon. Lyndon B. Johnson, President of the Senate, Washington 25, D.C.

GLEN CANYON UNIT

COLORADO

GLEN CANYON BRIDGE

[Extract from] An act making supplemental appropriations for the fiscal year ending June 30, 1957, and for other purposes. (Act of July 31, 1956, 70 Stat. 763, 771, Public Law 84-855.)

The Secretary of Commerce is hereby authorized to participate in the construction of the bridge required in the construction of the Glen Canyon Unit, Arizona, Colorado River Storage project; and may transfer for this purpose to the Secretary of the Interior funds available for the construction of public lands highways: *Provided*, That the amount transferred shall not exceed the cost of placing such bridge upon and across the dam under the provisions of the Act of July 29, 1946 (60 Stat. 709; 21 U.S.C. 64, 70).

GLEN CANYON LAND EXCHANGE, NAVAJO TRIBE

[Extracts from] An act to provide for the exchange of lands between the United States and the Navajo Tribe, and for other purposes. (Act of September 2, 1958, 72 Stat. 1686, 1688, 1689, Public Law 85-868.)

SEC. 1. [Indians. Navajo Tribe. Land exchange.] (a) That the Secretary of the Interior shall, in consideration of and as just compensation for the transfer made by section 2 of this Act as well as for the use and occupancy of the lands therein described under terms of the right-of-way granted March 22, 1957, by the Secretary pursuant to the Act of February 5, 1948 (62 Stat. 17), transfer to the Navajo Tribe so much of the block of public lands (exclusive of the minerals therein, but inclusive of all range improvements constructed thereon) described in subsection (c) of this section, as shall constitute a reasonable compact area equal in acreage to the lands transferred to the United States under section 2, and the lands so transferred shall constitute a part of the Navajo Reservation and shall be held by the United

States in trust for the Navajo Tribe and shall be subject to all laws and regulations applicable to that reservation. The owners of range improvements of a permanent nature placed, under the authority of a permit from or agreement with the United States, on lands transferred pursuant to this section shall be compensated for the reasonable value of such improvements, as determined by the Secretary out of appropriations available for the construction of the Glen Canyon unit, Colorado River storage project. To the extent that the Secretary is unable to transfer, from the lands described in subsection (c), lands equal in acreage to the lands transferred to the United States under section 2, because of the existence of valid rights in other parties than the United States (other than the rights described in subsection (d) of this section), he shall transfer to the Navajo Tribe such other available public lands (exclusive of the minerals therein but inclusive of all range improvements thereon) in reasonable proximity to the Navajo Reservation and to the lands described in subsection (c) as the tribe, with the concurrence of the Secretary, may select and as may be necessary to transfer to the tribe equal acreage in exchange for the lands transferred under section 2, and those lands so transferred shall be treated in the same manner as other lands transferred pursuant to this section.

* * *

(g) The Secretary of the Interior shall compensate persons whose grazing permits, licenses or leases covering lands transferred to the Navajo Tribe pursuant to this section are canceled because of such transfer. Such compensation shall be determined in accordance with the standard prescribed by the Act of July 9, 1942, as amended (43 U.S.C. 315q). Such compensation shall be paid from appropriations available for the construction of the Glen Canyon unit, Colorado River storage project.

SEC. 2. (a) There is hereby transferred to the United States all the right, title, and interest of the Navajo Tribe in and to the lands (exclusive of the minerals therein) described in subsection (b) of this section. These lands shall no longer be "Indian country" within the meaning of title 18, United States Code, section 115 [71 Stat. 633], and they shall have the status of public lands withdrawn and being administered pursuant to the Federal reclamation laws and shall be subject to all laws and regulations governing the use and disposition of public lands in that status. The rights herein transferred shall not extend to the utilization of the lands hereinafter described under the heading "parcel B" for public recreational facilities without the approval of the Navajo Tribal Council. No permit, lease, license, or other right covering the exploration for or extraction of the minerals herein reserved to the tribe shall be granted or exercised by or on behalf of the tribe except under such conditions and with such restrictions, limitations, or stipulations as the Secretary deems appropriate, in connection with the Glen Canyon unit, to protect the interests of the United States and of its grantees, licenses, transferees, and permittees, and their heirs and assigns. Subject to

the mineral rights herein reserved to the tribe as aforesaid, the Secretary may dispose of lots in townsites established on the lands transferred under this section, together with improvements thereon, under such terms and conditions as he determines to be appropriate, including provisions for payment for the furnishing of municipal facilities and services while such facilities and services are provided by the United States and for the establishment of liens in connection therewith, but no disposition shall be at less than the current fair market value, and he may dedicate portions of lands in such townsites, whether or not improved, for public purposes and transfer the land so dedicated to appropriate State or local public bodies and nonprofit corporations. He may also enter into contracts with State or local public bodies and nonprofit corporations whereby either party may undertake to render to the other such services in aid of the performance of activities and functions of a municipal, governmental, or public or quasi-public nature as will, in the Secretary's judgment, contribute substantially to the efficiency of the economy of the operations of the Department of the Interior in connection with the Glen Canyon unit.

* * *

(c) The Secretary and the tribe may enter into such agreements as are appropriate for the utilization, under permits or easements, of such tribal lands, in the vicinity of Rainbow Bridge National Monument, as may be necessary in connection with the carrying out of any measures undertaken to preclude impairment of the monument as provided by section 1 of the Act of April 11, 1956 (70 Stat. 105) [43 U.S.C. 620].

PLANNING OF BASALT PROJECT, COLORADO

[Extract from] An act to authorize the construction, operation and maintenance by the Secretary of the Interior of the Fryingpan-Arkansas project, Colorado. (Act of August 16, 1962, 76 Stat. 389, 390, Public Law 87-590.)

SEC. 1(b) * * * The Secretary shall expedite completion of his planning report on the Basalt project, Colorado, as a participating project under the Act of April 11, 1956 (70 Stat. 105), and said report shall have the priority status of the reports to which reference is made in section 2 of said act.

* * *

SAN JUAN-CHAMA PROJECT

COLORADO-NEW MEXICO

AND

NAVAJO INDIAN IRRIGATION PROJECT

NEW MEXICO

[House Document No. 424, 86th Congress]

DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., April 25, 1958.

The SECRETARY OF THE INTERIOR.

SIR: This is our coordinated report on the San Juan-Chama project, Colorado-New Mexico, and the Navajo Indian irrigation project, New Mexico, both of which are proposed as participating projects of the authorized Colorado River storage project. This report is based on, and includes, our proposed coordinated report of September 6, 1957, which you approved and adopted on October 16, 1957.

On your behalf, we transmitted copies of the proposed coordinated report to the affected States (Colorado, New Mexico, Arizona, California, Kansas, Nevada, Oklahoma, Texas, Utah, and Wyoming) and the Secretary of the Army for review on October 17, 1957, in accordance with section 1(c) of the Flood Control Act of 1944. As provided by the act of August 14, 1946, the report was also sent to the Governors of Colorado and New Mexico for comments from the head of the agency exercising administration over wildlife resources of the State. In addition, copies were sent to the Federal agencies represented on the Inter-Agency Committee on Water Resources and to the Upper Colorado River Commission.

All of the States of the upper division of the Colorado River Basin (Colorado, New Mexico, Utah, and Wyoming), the States of California and Texas, and the Department of the Army submitted their views and recommendations on the coordinated report and its proposals. All of the interested Federal agencies also submitted comments. Copies of the comments received are attached¹ to, and made a part of, this coordinated report. Comments have not been received from the States of Arizona, Kansas, Nevada, and Oklahoma.

As the comments received are generally favorable and as the recommendations of the reviewing States and Federal agencies interpose no objections to the recommendations for authorization of the construction of the initial stage of San Juan-Chama pro-

¹ Excluded from this publication.

ject and the Navajo Indian irrigation project as participating projects of the authorized Colorado River storage project, we believe it is not necessary to revise our proposed coordinated report as a result of those reviews.

Cost estimates presented in our proposed coordinated report were based on January 1957 price levels, and the annual economic costs shown in the basic reports were prepared by methods in use at that time. The cost estimates have been brought up to date and the effects of revised costs on the economics of the initial stage development of the San Juan-Chama project and the Navajo Indian irrigation project have been appraised on the basis of the new costs and present standards. This appraisal of annual economic costs also includes the recently computed annual rate of \$2 per acre-foot of depletion charge of the Colorado River storage project assigned to all participating projects for benefit-cost ratio purposes.

A cursory analysis of the comprehensive plan for the San Juan-Chama project, as modified by the May 15, 1957, supplemental report, indicates that the estimated construction cost would remain practically the same, or about \$149 million on the basis of January 1958 prices.

On the basis of January 1958 prices, the estimated construction cost for the initial stage of development of the San Juan-Chama project would be increased from \$81,110,000 to about \$86 million. This increased construction cost would be tentatively allocated: \$53,400,000 to irrigation, \$29,200,000 to municipal and industrial water supply, \$3 million to future uses, and \$400,000 to recreation. Repayment of costs allocated to irrigation would not change significantly as the irrigation water users would probably repay the previously reported \$8 million. The increase in cost in excess of the irrigators' ability to repay would be repaid from New Mexico's apportionment of basic fund revenues as provided by Public Law 485. The cost of raw municipal water would increase from 7.2 cents to 7.7 cents per 1,000 gallons, and from \$23.46 to about \$25 per acre-foot, as a result of the increased tentative allocation to municipal water supply.

The estimated construction cost of the revised plan of the Navajo Indian irrigation project would increase to about \$135,333,300 on the basis of January 1958 prices, or an increase of \$8,468,000.

Copies of two repayments schedules from that analysis¹ designated "Repayment Schedule of Authorized Storage Project Units and Power Features of the Central Utah Project and Establishment of Revenues Available To Assist in Irrigation Repayment of Participating Projects" and "Repayment Schedule for Irrigation Costs of Participating Projects in New Mexico" are attached.¹ The first schedule shows how power revenues in the basin fund will repay all reimbursable costs of the storage project and power costs of the initial phase of Central Utah Project, and indicates the revenues in the fund available to assist in the repayment of irrigation costs of the authorized participating pro-

¹ Excluded from this publication.

jects. The other schedule demonstrates repayment of irrigation costs of the authorized participating projects in the State of New Mexico.

The first schedule shows that by fiscal year 2049 there would accrue to the credit of New Mexico more than \$144 million in apportioned surplus power revenues, of which only a little more than \$2,300,000 would be needed for presently authorized participating projects in that State. The irrigation repayment assistance required by the proposed initial stage development of the San Juan-Chama participating project as presently evaluated amounts to about \$45,400,000. As provided by the authorizing act of April 11, 1956, this amount would be repaid from net power revenues apportioned to New Mexico within the same period that the irrigation water users repay costs to be returned by them. No assistance is required for the Navajo Indian irrigation project as the act provides that costs beyond the capability of the lands to repay shall be nonreimbursable. The second schedule indicates that sufficient apportioned surplus revenues required for repayment of the \$45,400,000 irrigation assistance to the initial stage development of the San Juan-Chama project would accumulate by fiscal year 2023. Consequently, it is concluded that repayment of the reimbursable costs of the recommended developments can be accomplished under provisions of the authorizing act of April 11, 1956.

In accord with our findings in the report and the expressed desires of the State of New Mexico, we therefore recommend that you approve and adopt this as your coordinated report on the development of the San Juan-Chama and Navajo Indian irrigation participating projects and that you transmit it to the President and subsequently to the Congress in accordance with the Reclamation Project Act of 1939.

Respectfully,

W. A. DEXHEIMER,
Commissioner of Reclamation.

GLENN L. EMMONS,
Commissioner of Indian Affairs.

Approved and adopted July 3, 1958.

FRED A. SEATON,
Secretary of the Interior.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., July 3, 1958.

The PRESIDENT,
The White House, Washington, D.C.
(Through Bureau of the Budget).

DEAR MR. PRESIDENT: My coordinated report on a plan for the proposed San Juan-Chama project, Colorado-New Mexico, and Navajo Indian irrigation project, New Mexico, is transmitted here-

with as provided by section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187).

These two multipurpose water resource developments are proposed as participating projects of the authorized Colorado River storage project. The report and its accompanying documents find that the two projects have engineering feasibility and are economically justified, and that there is an urgent requirement for the construction of the projects.

My proposed coordinated report was transmitted for review on October 17, 1957, as required by law and interagency agreement. Comments have been received from most of the affected States of the Colorado River Basin, the State of Texas, and all of the interested Federal agencies. Copies of their letters are attached to the report. Comments have not been received from the States of Arizona, Kansas, Nevada, and Oklahoma. If comments are received from those States they will be forwarded to you.

I recommend that the plans for development and construction of the San Juan-Chama and Navajo projects be authorized as set forth in my coordinated report. I shall appreciate your advice concerning the relationship of these two projects to your program before I transmit the report to the Congress for its consideration and appropriate action as provided in the Reclamation Project Act of 1939.

Sincerely yours,

FRED A. SEATON,
Secretary of the Interior.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., May 19, 1960.

The Honorable the SECRETARY OF THE INTERIOR.

MY DEAR MR. SECRETARY: This is in reply to your letter of July 3, 1958, transmitting your coordinated report on the San Juan-Chama project in New Mexico and Colorado and the Navajo Indian irrigation project in New Mexico, both of which are proposed for authorization as units of the authorized Colorado River storage project. You request advice as to the relationship of the two projects to the program of the President.

The initial stage of the San Juan-Chama development, recommended for authorization in your report, would provide for a maximum annual diversion of 110,000 acre-feet of water from the Upper Colorado River Basin to the Rio Grande Basin to supply supplemental irrigation water for about 121,000 acres and additional municipal and industrial water for the Albuquerque metropolitan area. The principal features of the initial stage include three diversion dams, about 29 miles of conduit, and one storage dam and reservoir. The total estimated cost is \$86 mil-

lion, based on January 1958 prices, tentatively allocated as follows:

Municipal and industrial water	\$29,200,000
Irrigation	53,400,000
Future use	3,000,000
Recreation	400,000
Total	86,000,000

All the costs allocated to municipal and industrial water supply would be repaid with interest within 50 years. About \$8 million of the costs allocated to irrigation would be repaid by irrigation water users over a 50-year period and the balance would be repaid from New Mexico's share of surplus power revenues of the Colorado River storage project. The allocation to future use would also be repaid from these power revenues if it is not otherwise collected from water users. The benefit-cost ratio for the project, based on a 50-year period of analysis, is estimated at 1.03 using total benefits, and 0.81 using direct benefits only.

We note that about 57,000 acre-feet of water—over half of the total annual diversion—would be allocated to municipal and industrial water supply. In view of the rapid growth of population and the increasing emphasis on industrial development in the Rio Grande Basin of New Mexico, we believe this feature of the project would make an important contribution to the future development of the region.

Information in the report indicates that the Cerro, Taos, Llano, and Pojoaque tributary irrigation units are suffering increasing economic distress as the result of increasing population pressure, erratic water supplies, deterioration of existing irrigation works, and subdivision of ownership among heirs resulting in uneconomic farm units. Although the economic justification for undertaking these works at this time appears to be somewhat questionable, their inclusion in the overall recommended plan may be warranted because of the anticipated beneficial effects in sustaining the economies of these existing agricultural communities. We would recommend, however, that their inclusion on this basis be contingent upon the development of a joint Federal-State program to provide for the consolidation of farm developments into units large enough to provide reasonable family income.

We note that several of the concerned States have not furnished views on the project. We also understand that Colorado and New Mexico interests have been involved in negotiations over differences with respect to the proposed transfer of Colorado River Basin waters originating in Colorado for use outside the basin in New Mexico. We have been advised, however, that Colorado and New Mexico have recently reached agreement on the proposed transfer of waters.

The proposed Navajo Indian irrigation project would require the annual use of about 280,000 acre-feet of water of the San Juan River allocated to New Mexico under Colorado River compacts to irrigate about 110,000 acres within and adjacent to

the Navajo Indian Reservation. These lands would be solely for Indian use. The principal features of the project include a main canal over 150 miles in length, pumping plants, a powerplant to provide project pumping energy, and associated works. The total cost, based on January 1958 prices, is estimated at \$135,330,300 tentatively allocated entirely to irrigation. The benefit-cost ratio on the basis of a 50-year period of analysis is estimated at 1.3 using total benefits and 0.52 using direct benefits only.

We believe this proposal raises a number of important questions of public policy with respect to Federal water resources and Indian assistance programs.

In a dry area like New Mexico, availability of water is essential to continued economic growth. On the basis of present trends, demands for water for industrial and municipal use can be expected to increase substantially in future years. Notwithstanding this fact, this project would result in committing to agricultural uses a major part of the last source of unappropriated water in the State of New Mexico, the waters of the San Juan River allocated to the State under Colorado River compacts. We recognize, however, that the project is primarily intended as an Indian assistance measure, and that other factors are involved in these circumstances.

The plan of development for the Navajo project indicates that eventually about 1,400 families would be operating irrigated farms. It is predicted that service industries in the project area would support 2,800 families and that, in total, sufficient employment opportunities would be provided to support 20,000 Indians. The construction period for the project, however, is estimated to be 14 years. Although construction could be accelerated, this period appears desirable to allow the integration of the irrigated land into the Indian economic base. Considering the normal lag between authorization and initiation of construction, it could be 16 to 20 years before the full benefits from the project become available if it were to be authorized this year.

Current population estimates on the Navajo Reservation range from 75,000 to 100,000. In view of the recent interest which has developed in industrial utilization of the large coal deposits on the Navajo Reservation, commitment of a major portion of the waters of the San Juan River to agricultural purposes could impede industrial development on the reservation and the correspondingly greater employment opportunities which such development would provide. We would, therefore, question whether a Federal investment of \$135 million is justified for a project which would ultimately establish not more than 25 percent of these people in an agricultural enterprise of marginal economic value.

Accordingly, subject to your consideration of the above views, the Bureau of the Budget would have no objection to the submission of your proposed report to the Congress. No commitment can be made, however, as to when any estimate of appropriation would be submitted for construction of these projects, if authorized by

the Congress, since this would be governed by the President's budgetary objectives as determined by the then prevailing fiscal situation.

Sincerely yours,

ELMER B. STAATS,
Acting Director.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., June 16, 1960.

Hon. SAM RAYBURN,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: As provided by section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187), transmitted herewith is my coordinated report on the San Juan-Chama project, Colorado-New Mexico, and the Navajo Indian irrigation project, New Mexico.

The report presents coordinated plans for development of two multipurpose projects which are proposed as participating projects of the authorized Colorado River storage project. The projects have engineering feasibility and are economically justified.

My proposed coordinated report was reviewed by the affected States, the Secretary of the Army, and the interested Federal agencies as required by law and interagency agreement. Copies of the comments received as a result of that review are attached to the report.

The coordinated report and copies of the comments received were submitted to the President on July 3, 1958. A copy of letter dated May 19, 1960, from the Bureau of the Budget advising that, subject to consideration of its comments, there would be no objection to the submission of the coordinated report to the Congress, is enclosed.

I recommend that construction of the San Juan-Chama and Navajo Indian irrigation projects, New Mexico and Colorado, be authorized.

Sincerely yours,

FRED A. SEATON,
Secretary of the Interior.

AUTHORIZATION OF NAVAJO INDIAN IRRIGATION AND SAN JUAN-CHAMA PARTICIPATING PROJECTS

An act to authorize the Secretary of the Interior to construct, operate, and maintain the Navajo Indian irrigation project and the initial stage of the San Juan-Chama project as participating projects of the Colorado River storage project, and for other purposes. (Act of June 13, 1962, 76 Stat. 96, Public Law 87-483.)

SEC. 1. [Participating projects.] That, for the purposes of furnishing water for the irrigation of irrigable and arable lands and for municipal, domestic, and industrial uses, providing recreation and fish and wildlife benefits, and controlling silt, and for other beneficial purposes, the Congress approves as participating projects of the Colorado River storage project (Act of April 11, 1956, 70 Stat. 105, as amended, 43 U.S.C. 620-620o) the Navajo Indian irrigation project, New Mexico, and the initial stage of the San Juan-Chama project, Colorado-New Mexico. The Navajo Indian irrigation project and the initial stage of the San Juan-Chama project herein approved are substantially those described in the proposed coordinated report of the Acting Commissioner of Reclamation and the Commissioner of Indian Affairs, approved and adopted by the Secretary of the Interior on October 16, 1957, as conditioned, modified, and limited herein.

NAVAJO INDIAN IRRIGATION PROJECT

SEC. 2. [Navajo authorized.] Pursuant to the provisions of the Act of April 11, 1956, as amended, the Secretary of the Interior is authorized to construct, operate, and maintain the Navajo Indian irrigation project for the principal purpose of furnishing irrigation water to approximately one hundred and ten thousand six hundred and thirty acres of land, said project to have an average annual diversion of five hundred and eight thousand acre-feet of water and the repayment of the costs of construction thereof to be in accordance with the provisions of said Act of April 11, 1956, as amended, including, but not limited to, section 4(d) thereof.

SEC. 3. (a) [Publication in Federal Register.] In order to provide for the most economical development of the Navajo Indian irrigation project, the Secretary shall declare by publication in the Federal Register that the United States of America holds in trust for the Navajo Tribe of Indians any legal subdivisions or unsurveyed tracts of federally owned land outside the present boundary of the Navajo Indian Reservation in New Mexico in townships 28 and 29 north, ranges 10 and 11 west, and townships 27 and 28 north, ranges 12 and 13 west, New Mexico principal meridian, susceptible to irrigation as part of the project or necessary for location of any of the works or canals of such project: *Provided, however,* That no such legal subdivision or unsurveyed tract shall be so declared to be held in trust by the United States for the Navajo Tribe until the Navajo Tribe shall have paid the United States the full appraised value thereof: *And provided further,* That in making appraisals of

such lands the Secretary shall consider their values as of the date of approval of this Act, excluding therefrom the value of minerals subject to leasing under the Act of February 25, 1920, as amended (30 U.S.C. 181-286), and such leasable minerals shall not be held in trust for the Navajo Tribe but shall continue to be subject to leasing under the Act of February 25, 1920, as amended, after the lands containing them have been declared to be held in trust by the United States for the Navajo Tribe.

(b) **[Title conveyed to U.S.]** The Navajo Tribe is authorized to convey to the United States, and the Secretary shall accept on behalf of the United States, title to any land or interest in land within the above-described townships, susceptible to irrigation as part of the Navajo Indian irrigation project or necessary for location of any of the works or canals of such project, acquired in fee simple by the Navajo Tribe, and after such conveyance said land or interest in land shall be held in trust by the United States for the Navajo Tribe as a part of the project.

(c) **[Land acquisition.]** The Secretary is authorized to acquire by purchase, exchange, or condemnation any other land or interest in land within the townships above described susceptible to irrigation as part of the Navajo Indian irrigation project or necessary for location of any of the works or canals of such project. After such acquisition, said lands or interest in lands shall be held by the United States in trust for the Navajo Tribe of Indians.

SEC. 4. **[Capacity.]** In developing the Navajo Indian irrigation project, the Secretary is authorized to provide capacity for municipal and industrial water supplies or miscellaneous purposes over and above the diversion requirements for irrigation stated in section 2 of this Act, but such additional capacity shall not be constructed and no appropriation of funds for such construction shall be made until contracts have been executed which, in the judgment of the Secretary, provide satisfactory assurance of repayment of all costs properly allocated to the purposes aforesaid with interest as provided by law.

SEC. 5. **[Operation and maintenance charges.]** Payment of operation and maintenance charges of the irrigation features of the Navajo Indian irrigation project shall be in accordance with the provisions of the Act of August 1, 1914 (38 Stat. 582, 583), as amended (25 U.S.C. 385): *Provided*, That the Secretary may transfer to the Navajo Tribe of Indians the care, operation, and maintenance of all or any part of the project works, subject to such rules and regulations as he may prescribe and, in such event, the Secretary may transfer to the Navajo Tribe title to movable property necessary to the operation and maintenance of those works.

SEC. 6. **[Water use.]** For the period ending ten years after completion of construction of the Navajo Indian irrigation project no water from the project shall be delivered to any water user for the production on newly irrigated lands of any basic agricultural commodity, as defined in section 408(c) of the Agricultural Act

of 1949 (63 Stat. 1056, 7 U.S.C. 1428), or any amendment thereof, if the total supply of such commodity for the marketing year in which the bulk of the crop would normally be marketed is in excess of the normal supply as defined in section 301(b)(10) of the Agricultural Adjustment Act of 1938 (52 Stat. 41), as amended (7 U.S.C. 1281), unless the Secretary of Agriculture calls for an increase in production of such commodity in the interest of national security.

SEC. 7. [Appropriation authorized.] There are hereby authorized to be appropriated to the Bureau of Indian Affairs such sums as may be required to construct the Navajo Indian irrigation project, including the purchase of lands under section 3, subsection (c), of this Act, but not more than \$135,000,000 (June 1961 prices) plus or minus such amounts, if any, as may be required by reason of changes in construction costs as indicated by engineering cost indices applicable to the types of construction involved therein.

SAN JUAN-CHAMA RECLAMATION PROJECT (INITIAL STAGE)

SEC. 8. [San Juan-Chama authorized.] Pursuant to the provisions of the Act of April 11, 1956, as amended, the Secretary is authorized to construct, operate, and maintain the initial stage of the San Juan-Chama project, Colorado-New Mexico, for the principal purposes of furnishing water supplies to approximately thirty-nine thousand three hundred acres of land in the Cerro, Taos, Llano, and Pojoaque tributary irrigation units in the Rio Grande Basin and approximately eighty-one thousand six hundred acres of land in the existing Middle Rio Grande Conservancy District and for municipal, domestic, and industrial uses, and providing recreation and fish and wildlife benefits. The diversion facilities of the initial stage authorized herein shall be so constructed and operated as to divert only natural flow of the Navajo, Little Navajo, and Blanco Rivers in Colorado as set forth in the supplemental project report dated May 1957. The principal engineering works of the initial stage development, involving three major elements, shall include diversion dams and conduits, storage and regulation facilities at the Heron Numbered 4 Reservoir site, enlarged outlet works of the existing El Vado Dam, and water use facilities consisting of reservoirs, dams, canals, lateral and drainage systems, and associated works and appurtenances. The construction of recreation facilities at the Nambe Reservoir shall be contingent upon the Secretary's making appropriate arrangements with the governing body of the Nambe Pueblo for the operation and maintenance of such facilities, and the construction of recreation facilities at the Heron Numbered 4, Valdez, and Indian Camp Reservoirs shall be contingent upon his making appropriate arrangements with a State or local agency or organization for the operation and maintenance of those facilities: *Provided, That—*

(a) the Secretary shall so operate the initial stage of the project authorized herein that diversions to the Rio Grande

Valley shall not exceed one million three hundred and fifty thousand acre-feet of water in any period of ten consecutive years, reckoned in continuing progressive series starting with the first day of October after the project shall have commenced operation: *Provided, however,* That not more than two hundred and seventy thousand acre-feet shall be diverted in any one year;

(b) the Secretary shall operate the project so that there shall be no injury, impairment, or depletion of existing or future beneficial uses of water within the State of Colorado, the use of which is within the apportionment made to the State of Colorado by article III of the Upper Colorado River Basin compact, as provided by article IX of the Upper Colorado River Basin compact and article IX of the Rio Grande compact;

(c) all works of the project shall be constructed so as to permit compliance physically with all provisions of the Rio Grande compact, and all such works shall be operated at all times in conformity with said compact;

(d) the amount of water diverted in the Rio Grande Basin for uses served by the San Juan-Chama project shall be limited in any calendar year to the amount of imported water available to such uses from importation to and storage in the Rio Grande Basin in that year;

(e) details of project operation essential to accounting for diverted San Juan and Rio Grande flows shall be developed through the joint efforts of the Rio Grande Compact Commission, the Upper Colorado River Commission, the appropriate agencies of the United States and of the States of Colorado, New Mexico, and Texas, and the various project entities. In this connection the States of Texas and New Mexico shall agree, within a reasonable time, on a system of gaging devices and measurements to secure data necessary to determine the present effects of tributary irrigation, as well as present river channel losses: *Provided,* That if the State of Texas shall require, as a condition precedent to such agreement, gaging devices and measurements in addition to or different from those considered by the Department of the Interior and the State of New Mexico to be necessary to this determination, the State of Texas shall pay one-half of all costs of constructing and operating such additional or different devices and making such additional or different measurements which are not borne by the United States. The results of the action required by this subsection shall be incorporated in a written report transmitted to the States of Colorado, Texas, and New Mexico for comment in the manner provided in the Flood Control Act of 1944 before any appropriation shall be made for project construction;

(f) the Secretary shall operate the project so that for the preservation of fish and aquatic life the flow of the Navajo River and the flow of the Blanco River shall not

be depleted at the project diversion points below the values set forth at page D2-7 of appendix D of the United States Bureau of Reclamation report entitled "San Juan-Chama Project, Colorado-New Mexico", dated November 1955;

(g) the Secretary is hereby authorized to construct the tunnel and conduit works of the initial stage of the San Juan-Chama project with sufficient capacity for future diversion of an average of two hundred and thirty-five thousand acre-feet per annum: *Provided, however*, That nothing contained in this Act shall be construed as committing the Congress of the United States to future authorization of any additional stage of the San Juan-Chama project.

SEC. 9. [Water delivery for surplus crops.] For the period ending ten years after completion of construction of the initial stage of the San Juan-Chama project no water from the project shall be delivered to any water user for the production on newly irrigated lands of any basic agricultural commodity, as defined in section 408(c) of the Agricultural Act of 1949 (63 Stat. 1056, 7 U.S.C. 1428), or any amendment thereof, if the total supply of such commodity for the marketing year in which the bulk of the crop would normally be marketed is in excess of the normal supply as defined in section 301(b) (10) of the Agricultural Adjustment Act of 1938 (52 Stat. 41), as amended (7 U.S.C. 1281), unless the Secretary of Agriculture calls for an increase in production of such commodity in the interest of national security.

SEC. 10. [Appropriation authorized.] The amount which section 12 of the Act of April 11, 1956, authorizes to be appropriated is hereby increased by \$85,828,000 (June 1961 prices) plus or minus such amounts, if any, as may be required by reason of changes in construction costs as indicated by engineering cost indices applicable to the types of construction involved, which increase shall be available solely for construction of the San Juan-Chama project and shall not be used for any other purpose.

GENERAL

SEC. 11. [Contracts.] (a) No person shall have or be entitled to have the use for any purpose, including uses under the Navajo Indian irrigation project and the San Juan-Chama project authorized by sections 2 and 8 of this Act, of water stored in Navajo Reservoir or of any other waters of the San Juan River and its tributaries originating above Navajo Reservoir to the use of which the United States is entitled under these projects except under contract satisfactory to the Secretary and conforming to the provisions of this Act. Such contracts, which, in the case of water for Indian uses, shall be executed with the Navajo Tribe, shall make provision, in any year in which the Secretary anticipates a shortage, taking into account both prospective runoff originating above Navajo Reservoir and the available water in storage in Navajo Reservoir, for a sharing of the available

water in the following manner: The prospective runoff shall be apportioned between the contractors diverting above and those diverting at or below Navajo Reservoir in the proportion that the total normal diversion requirement of each group bears to the total of all normal diversion requirements. In the case of contractors diverting above Navajo Reservoir, each such contract shall provide for a sharing of the runoff apportioned to said group in the same proportion as the normal diversion requirement under said contract bears to the total normal diversion requirements of all such contracts that have been made hereunder: *Provided*, That for any year in which the foregoing sharing procedure either would apportion to any contractor diverting above Navajo Reservoir an amount in excess of the runoff anticipated to be physically available at the point of his diversion, or would result in no water being available to one or more such contractors, the runoff apportioned to said group shall be reapportioned, as near as may be, among the contractors diverting above Navajo Reservoir in the proportion that the normal diversion requirements of each bears to the total normal diversion requirements of the group. In the case of contractors diverting from or below Navajo Reservoir, each such contract shall provide for a sharing of the remaining runoff together with the available storage in the same proportion as the normal diversion requirement under said contract bears to the total normal diversion requirements under all such contracts that have been made hereunder.

The Secretary shall not enter into contracts for a total amount of water beyond that which, in his judgment, in the event of shortage, will result in a reasonable amount being available for the diversion requirements for the Navajo Indian irrigation project and the initial stage of the San Juan-Chama project as specified in sections 2 and 8 of this Act.

No long-term contract, except contracts for the benefit of the lands and for the purposes specified in sections 2 and 8 of this Act, shall be entered into for the delivery of water stored in Navajo Reservoir or of any other waters of the San Juan River and its tributaries, as aforesaid, until the Secretary has determined by hydrologic investigations that sufficient water to fulfill said contract is reasonably likely to be available for use in the State of New Mexico during the term thereof under the allocations made in articles III and XIV of the Upper Colorado River Basin compact, and has submitted such determination to the Congress of the United States and the Congress has approved such contracts: *Provided*, That nothing contained in the foregoing shall be construed to forbid the Secretary from entering into temporary water supply contracts in the San Juan River Basin for any year in which he determines that water legally available for use in the upper basin of the Colorado River system would otherwise not be used there and is not needed to fulfill the obligations of the upper division States with respect to delivery of water at Lee Ferry.

(b) If contracts are entered into for delivery from storage in Navajo Reservoir of water not covered by subsection (a) of this section, such contracts shall be subject to the same provision for sharing of available water supply in the event of shortage as in the case of contracts required to be made pursuant to subparagraph (a) of this section.

(c) This section shall not be applicable to the water requirements of the existing Fruitland, Hogback, Cudai, and Cambridge Indian irrigation projects, nor to the water required in connection with the extension of the irrigated acreages of the Fruitland and Hogback Indian irrigation projects in a total amount of approximately eleven thousand acres.

SEC. 12. (a) None of the project works or structures authorized by this Act shall be so operated as to create, implement, or satisfy any preferential right in the United States or any Indian tribe to the waters impounded, diverted, or used by means of such project works or structures, other than contained in those rights to the uses of water granted to the States of New Mexico or Arizona pursuant to the provisions of the Upper Colorado River Basin compact.

(b) The projects authorized by this Act shall be so operated that no waters shall be diverted or used by means of the project works, which, together with all other waters used in or diverted from the San Juan River Basin in New Mexico, will exceed the water available to the States of New Mexico and Arizona under the allocation contained in article III of the Upper Colorado River Basin compact for any water year.

SEC. 13. (a) The use of water, including that diverted from the Colorado River system to the Rio Grande Basin, through works constructed under authority of this Act, shall be subject to and controlled by the Colorado River compact, the Upper Colorado River Basin compact, the Boulder Canyon Project Act, the Boulder Canyon Project Adjustment Act, the Colorado River Storage Project Act, and the Mexican Water Treaty (Treaty series 994), and shall be included within and shall in no way increase the total quantity of water to the use of which the State of New Mexico is entitled and limited under said compacts, statutes, and treaty, and every contract entered into under this Act for the storage, use, and delivery of such water shall so recite.

(b) All works constructed under authority of this Act, and all officers, employees, permittees, licensees, and contractees of the United States and of the State of New Mexico acting pursuant thereto and all users and appropriators of water of the Colorado River system diverted or delivered through the works constructed under authority of this Act and any enlargements or additions thereto shall observe and be subject to said compacts, statutes, and treaty, as hereinbefore provided, in the diversion, delivery, and use of water of the Colorado River system, and such condition and covenant shall attach as a matter of law whether or not set out or referred to in the instrument evidencing such permit, license, or contract and shall be deemed to be for the

benefit of and be available to the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming and the users of water therein or thereunder by way of suit, defense or otherwise in any litigation respecting the waters of the Colorado River system.

(c) No right or claim of right to the use of the waters of the Colorado River system shall be aided or prejudiced by this Act, and Congress does not, by its enactment, construe or interpret any provision of the Colorado River compact, the Upper Colorado River Basin compact, the Boulder Canyon Project Act, the Boulder Canyon Project Adjustment Act, the Colorado River Storage Project Act, or the Mexican Water Treaty or subject the United States to, or approve or disapprove any interpretation of, said compacts, statutes, or treaty, anything in this Act to the contrary notwithstanding.

SEC. 14. In the operation and maintenance of all facilities under the jurisdiction and supervision of the Secretary of the Interior authorized by this Act, the Secretary is directed to comply with the applicable provisions of the Colorado River compact, the Upper Colorado River Basin compact, the Boulder Canyon Project Act, the Boulder Canyon Project Adjustment Act, the Colorado River Storage Project Act and the treaty with the United Mexican States in the storage and release of water from reservoirs in the Colorado River Basin. In the event of the failure of the Secretary of the Interior to so comply, any State of the Colorado River Basin may maintain an action in the Supreme Court of the United States to enforce the provisions of this section, and consent is given to the joinder of the United States as a party in such suit or suits, as a defendant or otherwise.

SEC. 15. [**Report to Congress.**] The Secretary of the Interior is directed to continue his studies of the quality of water of the Colorado River system, to appraise its suitability for municipal, domestic, and industrial use and for irrigation in the various areas in the United States in which it is used or proposed to be used, to estimate the effect of additional developments involving its storage and use (whether heretofore authorized or contemplated for authorization) on the remaining water available for use in United States, to study all possible means of improving the quality of such water and of alleviating the ill effects of water of poor quality, and to report the results of his studies and estimates to the Eighty-seventh Congress and every two years thereafter.

SEC. 16. (a) The diversion of water for either or both of the projects authorized in this Act shall in no way impair or diminish the obligation of the "States of the upper division" as provided in article III(d) of the Colorado River compact "not to cause the flow of the river at Lee Ferry to be depleted below an aggregate of seventy-five million acre-feet for any period of ten consecutive years reckoned in continuing progressive series beginning with the first day of October next succeeding the ratification of this compact".

(b) The diversion of water for either or both of the projects authorized in this Act shall in no way impair or diminish the obligation of the "States of the upper division" to meet their share of the Mexican Treaty burden as provided in article III(c) of the Colorado River compact.

SEC. 17. Section 12 of the Act of April 11, 1956, shall not apply to the works authorized by this Act except as otherwise provided by section 10 of this Act.

SEC. 18. [**Amend further Act of April 11, 1956.**] The Act of April 11, 1956, as amended, is hereby further amended as follows: (i) In section 1, subsection (2), after the words "Central Utah (initial phase)" delete the colon and insert in lieu thereof a comma and the words "San Juan-Chama (initial stage)," and after the word "Lyman" insert the words "Navajo Indian,"; (ii) in section 2 delete the words "San Juan-Chama, Navajo," from the first sentence; (iii) in section 5, subsection (e), in the phrase "herein or hereinafter authorized" delete the word "hereinafter" and insert in lieu thereof the word "hereafter"; (iv) in section 7 in the phrase "and any contract lawfully entered unto under said compacts and Acts" delete the word "unto" and insert in lieu thereof the word "into."

SAN JUAN-CHAMA PARTICIPATING PROJECT FISH AND WILDLIFE AND RECREATION

An act to authorize the Secretary of the Interior to make water available for a permanent pool for fish and wildlife and recreation purposes at Cochiti Reservoir from the San Juan-Chama unit of the Colorado River storage project. (Act of March 26, 1964, 78 Stat. 171, Public Law 88-293.)

SEC. 1. [**Cochiti Reservoir. Water for recreational purposes.**] That the proviso to subdivision (e) of the conditions applicable to the project for improvement of the Rio Grande Basin authorized by section 203 of the Flood Control Act of 1960 (Public Law 86-645; 74 Stat. 493), is hereby supplemented to authorize, for conservation and development of fish and wildlife resources and for recreation, approximately fifty thousand acre-feet of water for the initial filling of a permanent pool of one thousand two hundred surface acres in Cochiti Reservoir, and thereafter sufficient water annually to offset the evaporation from such area, to be made available by the Secretary of the Interior from water diverted into the Rio Grande Basin by the works authorized by section 8 of the Act of June 13, 1962 (Public Law 87-483, 76 Stat. 97), subject to the conditions specified in sections 8, 12, 13, 14, and 16 of said Act.

[**Nonreimbursable.**] An appropriate share of the costs of said works shall be reallocated to recreation and fish and wildlife, and said allocation, which shall not exceed \$3,000,000 shall be non-reimbursable and nonreturnable.

SEC. 2. [**Restriction.**] Nothing contained in this Act shall be

construed to increase the amount heretofore authorized to be appropriated for construction of the Colorado River storage project or any of its units.

BOSTWICK PARK PARTICIPATING PROJECT

COLORADO

[House Document No. 487, 87th Congress]

DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., July 26, 1961.

The SECRETARY OF THE INTERIOR.

SIR: This is my proposed report on the Bostwick Park project, Colorado. It is based on and includes the attached feasibility report of the regional director, dated January 1961, and its appended reports of the Bureau of Sport Fisheries and Wildlife, National Park Service, Forest Service, Bureau of Mines, Corps of Engineers, and Public Health Service.¹ This is one of the potential participating projects that were given priority in the completion of planning reports by the Colorado River Storage Project Act of April 11, 1956 (70 Stat. 105).

The Bostwick Park project is a proposed multipurpose water resource development in the Gunnison River Basin in west-central Colorado. The project would develop presently unused flows of Cimarron Creek for irrigation and for benefits to sport fishing and recreation. It would provide a full irrigation supply for 1,315 acres of land that are not presently irrigated and a supplemental supply for 4,293 acres that are now inadequately served. Recreation opportunities and important fishery benefits would be provided at the proposed Silver Jack Reservoir.

Development of hydroelectric power was determined to be economically infeasible. Provision of a municipal water supply for the city of Montrose was considered, but it was found that such a supply could be provided at less cost from an alternative source. The project would have negligible value for flood control.

* * *

The estimated total construction cost of the proposed Bostwick Park project is \$4,010,000. This cost is based on October 1959 prices, and is still appropriate at present construction price levels. Annual costs for operation, maintenance, and replacements are estimated to be \$9,400 on the basis of prices prevailing from

¹ Excluded from this publication.

1957 through 1959, comprised of \$4,900 for irrigation, \$500 for fish and wildlife, and \$4,000 for recreation.

Of the total estimated construction cost, exclusive of \$71,000 nonreimbursable funds expended from the Colorado River development fund and \$16,000 contributed by the State of Colorado, \$2,619,000 is allocated tentatively to irrigation, \$1,144,000 to fish and wildlife, and \$160,000 to recreation, which is the specific cost of the minimum basic recreation facilities. Since all of the construction costs allocated to fish and wildlife are for the development and improvement of the resource and since the benefits will accrue to the public at large and are not readily identifiable with any particular group or groups of beneficiaries, it is found that all of the allocated costs of fish and wildlife would be nonreimbursable in accordance with the Fish and Wildlife Coordination Act. The costs allocated to recreation would be nonreimbursable in accordance with existing policies. As provided by the Colorado River Storage Project Act of 1956, the allocated reimbursable irrigation costs would be returned to the United States within a 50-year period, exclusive of a 3-year development period.

* * *

Respectfully,

N. B. BENNETT, Jr.,
Acting Commissioner.

Approved and adopted September 11, 1961.

STEWART L. UDALL,
Secretary of the Interior.

DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., January 30, 1962.

The SECRETARY OF THE INTERIOR.

SIR: This is my report on the Bostwick Park project, Colorado, which is proposed as a participating project of the Colorado River storage project. This report is based on and includes our proposed report of July 26, 1961, which you approved and adopted on September 11, 1961, as your proposed report.

Copies of the proposed report were transmitted on September 13, 1961, to the affected States (Colorado, Wyoming, Utah, New Mexico, Arizona, California, and Nevada), and to the Secretary of the Army for review in accordance with section 1(c) of the Flood Control Act of 1944. In accordance with the Fish and Wildlife Coordination Act (48 Stat. 401, as amended; 16 U.S.C. 661, et seq.), the report was also sent to the State of Colorado for comments from the head of the agency exercising administration over the wildlife resources of the State. In addition, copies were sent to the Federal agencies represented on the Inter-Agency Committee on Water Resources.

Except for the States of Wyoming and Utah, which are not directly affected by the proposal, all of the States of the Colorado River Basin submitted their views and recommendations on the report and its proposals. All of the interested Federal agencies also submitted comments. Copies of the comments received are attached¹ to, and made a part of, the report.

The State of Colorado is in accord with the findings of the report that the Bostwick Park project is needed and that the project plan has engineering, economic, and financial feasibility. The State also concurs in the other conclusions and recommendations of the report, including the recommendation that the Bostwick Park project be authorized as a participating project of the Colorado River storage project for the purposes of irrigation, recreation, and the preservation and improvement of fish resources.

The State of Arizona finds the proposed project to be both feasible and desirable and that, in its view, such project should be constructed as one of the participating projects of the Colorado River storage project. New Mexico approves of the authorization and construction of the project as set forth in our report and believes that its construction is in the best interest of the upper basin and the United States. The State of Nevada points out that the project appears to be sound and needed and that it would increase the depletion of the water supply of the upper basin to a very minor degree. Nevada advises that it has no objection to the authorization of this project.

Although the State of California does not offer any specific objection to the plan of development and indicates that the project's depletion of water from the Colorado River system is relatively small, it expresses concern in regard to the cumulative effect of water depletions by other potential participating projects of the Colorado River storage project and the proposed Fryingpan-Arkansas project. California therefore recommends that no new projects in the Colorado River Basin be authorized until: (1) The U.S. Supreme Court renders a decision in the *Arizona v. California* suit, and (2) the Secretary of the Interior prepares and submits to the Congress an inventory of the water supplies and water uses in the Colorado River Basin, and for each State therein, that is in sufficient detail to demonstrate that enough uncommitted water exists to meet project requirements. The State also suggests that a current inventory should be included in each feasibility report for new projects in the Colorado River Basin.

One of the conclusions reached as a result of the investigations of the Bostwick Park project is that water rights needed for the project can be acquired, and that the resulting depletion to the Colorado River would be within the apportionment of water to the State of Colorado by the Upper Colorado Basin compact of 1948. Officials of the State of Colorado were consulted during the project investigations and the formulation of the proposed

¹ Excluded from this publication.

plan of development. In view of the negligible effect that the project depletion would have on the Colorado River system and the fact that it would be well within the State's apportionment of water under the Upper Colorado Basin Compact of 1948, there appears to be no need to defer further action on this report as recommended by California, which is one of the lower basin States not directly affected by the project.

The Chief of Engineers, Department of the Army, advises that there would be no conflict between the proposed plan for the Bostwick Park project and existing projects or plans of the Corps of Engineers.

The other Federal agencies either endorse or have no objections to the project. The Public Health Service recommends that the project proposal be examined from the viewpoint of the requirements of Public Law 87-88, approved July 20, 1961 (Federal Water Pollution Control Act Amendments of 1961). This examination can be accomplished during advance planning activities following authorization of the project.

Revision of our proposed report, as a result of these reviews, does not appear to be necessary. Accordingly, I recommend that you approve and adopt this as your report on the development of the Bostwick Park project and that you transmit it, together with the attached comments,¹ to the President and subsequently to the Congress as provided by the Reclamation Project Act of 1939.

Respectfully,

FLOYD E. DOMINY,
Commissioner.

Approved and adopted February 26, 1962.

STEWART L. UDALL,
Secretary of the Interior.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., February 26, 1962.

(Through Bureau of the Budget).

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: My report on a plan of development for the Bostwick Park project, Colorado, is transmitted herewith as provided by section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187).

The Bostwick Park project is a potential water resource development in the Gunnison River Basin in west-central Colorado, proposed as a participating project of the Colorado River storage project. The report and its accompanying documents find

¹ Excluded from this publication.

that this proposed multiple-purpose project has engineering feasibility and is economically justified.

A dependable late-season supply of irrigation water is the greatest need of the project area. Irrigation water is generally abundant until the latter part of the irrigation season when the supply diminishes, resulting in serious curtailment of crop yields. Local and State interests formed the Tri-County Water Conservancy District in September 1957 as the general administrative and repayment contracting agency for the proposed Bostwick Park project and other potential projects in the area.

My proposed report was transmitted to the affected States and interested Federal agencies for review on September 13, 1961, as required by law and interagency agreement. Comments have been received from all the States of the Colorado River Basin except Utah and Wyoming, which are not directly affected, and all of the interested Federal agencies. Copies of the letters received are attached to the report.

I recommend that the plan of development for the Bostwick Park project be authorized as set forth in the report. I shall appreciate your advice concerning the relationship of the Bostwick Park project to your program before I transmit the report to the Congress for its consideration and appropriate action, as provided in the Reclamation Project Act of 1939.

Sincerely yours,

STEWART L. UDALL,
Secretary of the Interior.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., May 24, 1962.

Hon. DAVID E. BELL,
Director, Bureau of the Budget, Washington, D.C.

DEAR MR. BELL: This letter summarizes the results of a reanalysis of the direct irrigation benefits presented in our report of January 1961 on the Bostwick Park project in Colorado, which was sent to you on February 26, 1962. The April 1962 reanalysis is similar in approach to that used in the reanalysis of the Savery-Pot Hook project in Colorado-Wyoming and to that basically used for reanalysis of the Garrison diversion unit, Missouri River Basin project.

* * *

With the revised benefits, the Bostwick Park project has a benefit-cost ratio, based upon total benefits and 100-year period of analysis, of 3.10 to 1. For a 50-year period, the comparable ratio is 2.44 to 1. Using direct benefits only, the corresponding

100-year and 50-year ratios are 2.27 to 1, and 1.79 to 1, respectively.

Sincerely yours,

KENNETH HOLUM,
Assistant Secretary of the Interior.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., July 5, 1962.

Hon. STEWART L. UDALL,
Secretary of the Interior,
Washington, D.C.

DEAR MR. SECRETARY: This will acknowledge your letter of February 26, 1962, and Assistant Secretary Holum's letter of May 24, 1962, concerning your proposed report on the Bostwick Park project, in Colorado. You request advice as to the relationship of the proposed development to the program of the President.

The project, proposed as a participating project of the Colorado River storage project, would provide supplementary irrigation water for 4,293 acres and a full water supply for 1,315 acres which are not now irrigated. The total construction cost is estimated to be \$4,010,000 of which \$2,619,000 is allocated to irrigation, \$1,144,000 to fish and wildlife, and \$160,000 to recreation. A recent reanalysis of the direct irrigation benefits indicates that the benefit-cost ratio for the project using a 100-year evaluation period is estimated at 3.10 on the basis of total benefits and 2.27 based on direct benefits only.

We note that the project report proposes a large allocation of joint costs to fish and wildlife. The administration is currently giving consideration to the problems of cost allocation and of reimbursement and cost sharing between the Federal Government and non-Federal bodies—matters not fully dealt with in the policies and standards recently approved by the President. There is also under consideration the development of detailed standards to supplement the new principle for estimating recreation benefits including those derived from the recreational aspects of fish and wildlife. We would expect that prior to initiation of construction, the project would be reevaluated in light of the administration's standards and policies applicable at that time.

Accordingly, you are advised that there would be no objection to the submission of the report to the Congress. However, no commitment can be made at this time as to when any estimate of appropriation would be submitted for construction of the Bostwick Park project, if authorized by the Congress, since this would be governed by the President's budgetary objectives as determined by the then prevailing fiscal situation.

Sincerely yours,

ELMER B. STAATS,
Deputy Director.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., July 20, 1962.

Hon. JOHN W. MCCORMACK,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: As provided by section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187), transmitted herewith is my report on the Bostwick Park project, Colorado.

The report presents a plan of development for a proposed water resource development in the Gunnison River Basin in west-central Colorado, which is proposed as a participating project of the Colorado River storage project. The plan of development is engineeringly feasible and economically justified.

My proposed report on this project was transmitted to the affected States, the Secretary of the Army, and the interested Federal agencies for review as required by law and interagency agreement. Comments have been received from all of the States of the Colorado River Basin except Wyoming and Utah, which are not directly affected by the proposal, and all of the interested Federal agencies. Copies of their letters are attached to the report.

The report and copies of the comments received were submitted to the President on February 26, 1962. Enclosed is a copy of a letter dated July 5, 1962, from the Deputy Director of the Bureau of the Budget advising that there would be no objection to the submission of the report to the Congress. As indicated in the Deputy Director's letter, a recent reanalysis of the direct irrigation benefits shows that the benefit-cost ratio of the project would increase to 3.10 to 1 for a 100-year period of evaluation. This reanalysis was submitted to the Bureau of the Budget in our letter of May 24, 1962, a copy of which is attached to and made part of this report.

I recommend that construction of the Bostwick Park project, Colorado, be authorized.

Sincerely yours,

JOHN A. CARVER, Jr.,
Assistant Secretary of the Interior.

FRUITLAND MESA PARTICIPATING PROJECT

COLORADO

[House Document No. 107, 88th Congress]

U.S. DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., April 10, 1962.

The SECRETARY OF THE INTERIOR.

SIR: This is my proposed report on the Fruitland Mesa project, Colorado. It is based on and includes the attached feasibility report of the regional director, dated February 16, 1962, and its appended reports of the Bureau of Sport Fisheries and Wildlife, National Park Service, Forest Service, Bureau of Mines, Corps of Engineers, and Public Health Service.¹ This is one of the potential participating projects that were given priority in the completion of planning reports by the Colorado River Storage Project Act of April 11, 1956 (70 Stat. 105).

The Fruitland Mesa project is a proposed multipurpose water-resource development in the Gunnison River Basin in west-central Colorado. The project would develop presently unused flows of Soap, Curecanti, and Crystal Creeks for irrigation, and for benefits to sport fishing and recreation. It would provide a full irrigation supply for 16,520 acres that are not presently irrigated and a supplemental supply for 6,930 acres that are now inadequately served. Recreation opportunities and important fishery benefits would be provided at the proposed Soap Park Reservoir.

Hydroelectric power development was not included in the project plan because the value of the small amount of power that could be produced would not compensate for the increased costs and reduced irrigation benefits. The provision of domestic water was not included in the project plan, but further consideration will be given to supplying domestic water to the Black Canyon National Monument during advance planning following authorization of construction. The project would have negligible value for flood control.

* * *

The estimated total construction cost of the proposed Fruitland Mesa project is \$27,285,000. This cost is based on July 1959 prices and is still appropriate at present construction price levels. Annual costs for operation, maintenance, and replacements are estimated to be \$46,000.

Of the total estimated construction cost, exclusive of \$164,000 expended from the Colorado River development fund and \$14,000 contributed by the State of Colorado, \$26,016,000 is allocated tentatively to irrigation, \$991,000 to fish and wildlife, and \$100,000 to recreation, which is the specific cost of the minimum

¹ Excluded from this publication.

basic recreation facilities. As provided by the Colorado River Storage Project Act, the allocated reimbursable irrigation costs would be returned to the United States within a 50-year period, exclusive of a 10-year development period. Since all of the construction costs allocated to fish and wildlife are either for the prevention of loss and damages to these resources or for the development and improvement thereof, and since all of the benefits to fish and wildlife will accrue to the public at large and are not readily identifiable with any particular group or groups of beneficiaries, it is found that all of the allocated costs of fish and wildlife would be nonreimbursable. The cost allocated to recreation also would be nonreimbursable.

* * *

Respectfully,

FLOYD E. DOMINY,
Commissioner.

Approved and adopted May 25, 1962.

STEWART L. UDALL,
Secretary of the Interior.

U.S. DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., September 28, 1962.

The SECRETARY OF THE INTERIOR.

SIR: This is my report on the Fruitland Mesa project, Colorado, which is proposed as a participating project of the Colorado River storage project. This report is based on and includes our proposed report of April 10, 1962, which you approved and adopted on May 25, 1962, as your proposed report.

Copies of the proposed report were transmitted on May 29, 1962, to the affected States (Colorado, Arizona, California, Nevada, New Mexico, Utah, and Wyoming) and to the Secretary of the Army for review, in accordance with section 1(c) of the Flood Control Act of 1944. In accordance with the Fish and Wildlife Coordination Act (48 Stat. 401, as amended; 16 U.S.C. 661, et seq.), the report was also sent to the State of Colorado for comments from the head of the agency exercising administration over the wildlife resources of the State. In addition, copies were sent to the Federal agencies represented on the Inter-Agency Committee on Water Resources.

Except for the State of Utah, which is not directly affected by the proposal, all of the States of the Colorado River Basin submitted their views and recommendations on the report and its proposals. All of the interested Federal agencies also submitted comments. Copies of the comments received are attached to, and made a part of, the report.

The State of Colorado fully agrees with the recommendations of the report and urges that authority be sought for the Secretary

of the Interior to construct, operate, and maintain the Fruitland Mesa project as a participating project of the Colorado River storage project.

The State of Arizona expressed the hope that the project may, in due course, be authorized and constructed. The State of Nevada presented its view that the increased stream depletion due to the project would have some effect on the water supply of the Colorado River, although it would be relatively insignificant. Nevada also commented on project economics and the general problems related to increasing competition for use of public lands. New Mexico had no objection to the project as outlined in the proposed report. Wyoming commented that the Fruitland Mesa project appears to be a feasible participating project that should be constructed in connection with the development of the Upper Colorado River Basin.

The State of California did not comment specifically on the Fruitland Mesa project or offer objection to the plan of development. It confined its comments to a presentation of its view that there is not enough uncommitted water in the Colorado River Basin to supply authorized projects and other prospective projects under active consideration. The State recommended that no new projects be authorized until the State of California has an opportunity to reevaluate the proposed projects and comment thereon under conditions prevailing after (1) the U.S. Supreme Court renders a final decision in the *Arizona v. California* suit and (2) the Secretary of the Interior prepares and submits to Congress an inventory of the water supplies and water uses in the Colorado River Basin, and for each State therein, that is in sufficient detail to demonstrate that enough uncommitted water exists to meet project requirements. The State also suggested that a current inventory should be included in each feasibility report for new projects in the Colorado River Basin.

One of the conclusions reached as a result of the investigations of the Fruitland Mesa project is that water rights needed for the project can be acquired and that the resulting depletion to the Colorado River would be within the apportionment of water to the State of Colorado by the Upper Colorado River Basin Compact of 1948. Officials of the State of Colorado were consulted during the project investigations and the formulation of the proposed plan of development. In view of the negligible effect that the project depletion would have on the Colorado River system and the fact that it would be well within the State's apportionment of water under the Upper Colorado River Basin Compact of 1948, there appears to be no need to defer further action on this report as recommended by California, which is one of the lower basin States not directly affected by the project.

The Chief of Engineers, Department of the Army, advises that there would be no conflict between the proposed plan for the Fruitland Mesa project and existing projects or plans of the Corps of Engineers.

The other Federal agencies either endorse or have no objection

to the project. The Public Health Service noted that, while the need for flow regulation for water-quality control is not now apparent, if it is later found that flow regulation is needed, it can be considered in further planning for the project.

Revision of our proposed report as a result of these reviews does not appear to be necessary. Accordingly, I recommend that you approve and adopt this as your report on the development of the Fruitland Mesa project and that you transmit it, together with the attached comments, to the President and subsequently to the Congress, as provided by the Reclamation Project Act of 1939.

Respectfully,

FLOYD E. DOMINY,
Commissioner.

Approved and adopted November 5, 1962.

STEWART L. UDALL,
Secretary of the Interior.

Recommended by:

KENNETH HOLUM,
Assistant Secretary, Water and Power Development.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., November 5, 1962.

The PRESIDENT,
The White House,
Washington, D.C.

(Through Bureau of the Budget).

DEAR MR. PRESIDENT: My report on a plan of development for the Fruitland Mesa project, Colorado, is transmitted herewith as provided by section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187).

The Fruitland Mesa project is a potential water resource development in the Gunnison River Basin in west-central Colorado, proposed as a participating project of the Colorado River storage project. The findings presented in the report and its accompanying documents show that this proposed multiple-purpose project has engineering feasibility and is economically justified.

The greatest need in the project area is for an additional and dependable irrigation water supply to improve and stabilize the economic status of the farmers and the related service industries and to provide opportunities for agricultural expansion. Project farmers, as well as other western Colorado and State interests, have expressed support for the Fruitland Mesa project and have formed the Fruitland Mesa Water Conservancy District as the general administrative and repayment contracting agency for the project.

My proposed report was transmitted to the affected States and interested Federal agencies for review on May 29, 1962, as

required by law and interagency agreement. Comments have been received from all of the States of the Colorado River Basin except Utah, which is not directly affected, and all of the interested Federal agencies. Copies of the letters received are attached to the report.

I recommend that the plan of development for the Fruitland Mesa project be authorized as set forth in the report. I shall appreciate your advice concerning the relationship of the Fruitland Mesa project to your program before I transmit the report to the Congress for its consideration and appropriate action, as provided in the Reclamation Project Act of 1939.

Sincerely yours,

STEWART L. UDALL,
Secretary of the Interior.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., April 5, 1963.

Hon. STEWART L. UDALL,
Secretary of the Interior,
Washington, D.C.

DEAR MR. SECRETARY: This is in reply to your letter of November 5, 1962, transmitting your proposed report on the Fruitland Mesa project in Colorado. You request advice as to the relationship of the proposed project to the program of the President.

You are advised that there would be no objection to the submission of the report to the Congress. However, no commitment can be made at this time as to when any estimate of appropriation would be submitted for construction of the Fruitland Mesa project, if authorized by the Congress, since this would be governed by the President's budgetary objectives as determined by the then prevailing fiscal situation.

Sincerely yours,

ELMER B. STAATS,
Deputy Director.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., April 19, 1963.

Hon. JOHN W. MCCORMACK,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: As provided by section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187), transmitted herewith is my report on the Fruitland Mesa project, Colorado.

The report presents a plan of development for a proposed water resource development in the Gunnison River Basin in west-central Colorado. The plan of development is engineeringly feasible and economically justified.

My proposed report on this project was transmitted to the States of the Colorado River Basin, the Secretary of the Army, and the interested Federal agencies for review as required by law and inter-agency agreement. Comments have been received from all of the recipients of the report except the State of Utah, which is not directly affected. Copies of the letters received are attached to the report.

The report and copies of the comments received were submitted to the President on November 5, 1962. Enclosed is a copy of a letter dated April 5, 1963, from the Deputy Director of the Bureau of the Budget advising that there would be no objection to the submission of the report to the Congress.

I recommend that construction of the Fruitland Mesa project, Colorado, be authorized.

Sincerely yours,

KENNETH HOLUM,
Assistant Secretary of the Interior.

SAVERY-POT HOOK PARTICIPATING PROJECT

COLORADO-WYOMING

[House Document No. 461, 87th Congress]

DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., January 8, 1960.

The SECRETARY OF THE INTERIOR.

SIR: This is my proposed report on the Savery-Pot Hook project, Colorado and Wyoming. It is based on and includes the attached feasibility report of the regional director, dated June 26, 1959, as revised October 12, 1959, and appended reports of the National Park Service, Fish and Wildlife Service, Public Health Service, Corps of Engineers, and Bureau of Mines.¹ This is one of the potential participating projects that were given priority to completion of planning reports by the Colorado River Storage Project Act of April 11, 1956 (70 Stat. 105).

The Savery-Pot Hook project is a potential water resource development in the Little Snake River Basin in southern Wyoming and northwestern Colorado. The project would regulate

¹ Excluded from this publication.

surplus flows of Savery and Slater Creeks principally for irrigation of about 35,265 acres of land in the basin and to a limited extent for recreation and fish and wildlife purposes. In general, the flood problem in the vicinity of the project is minor in extent and the proposed storage regulation would provide no significant flood control benefits. Development of hydroelectric power on the project would not be economical.

* * *

The estimated total construction cost of the proposed plan of development for the Savery-Pot Hook project is about \$15,351,000 on the basis of January 1959 prices. The annual operation, maintenance, and replacement costs are estimated to be about \$87,300 on the basis of 1956-58 prices. An economic evaluation of this proposed development for a 100-year period of analysis indicates that the estimated total annual benefits for the project would exceed the average annual equivalent cost in the ratio of about 1.47 to 1. A supplemental analysis for a 50-year period comparing total annual benefits with average annual costs results in the ratio of 1.17 to 1, and if direct benefits only are considered, the ratio would be about 0.52 to 1.

Of the total estimated construction cost, exclusive of \$237,000 nonreimbursable funds expended from the Colorado River development fund, \$14,888,000 is allocated tentatively to irrigation as a reimbursable cost and \$149,000 to fish and wildlife and \$77,000 to recreation as nonreimbursable costs in accord with provisions of the Colorado River Storage Project Act of April 11, 1956. As also provided by that act, the allocated reimbursable irrigation costs would be returned to the United States within a 50-year period exclusive of a 10-year development period for the full irrigation service lands and a 3-year development period for the supplemental service lands.

In addition to paying the irrigation operation, maintenance, and replacement costs, the irrigation water users probably would repay about \$2 million of the construction costs allocated to irrigation. Repayment contracts would be made with "organizations" of the type provided in section 4 of the act of April 11, 1956, for contracting on the participating projects authorized by section 1 of that act. Such organized general administrative and contracting agencies, or conservancy districts, would have authority to levy assessments upon all taxable real property within their boundaries to assist in making repayments. An estimated \$155,000 in ad valorem tax revenues collected by the districts over the 50-year repayment period also would be applied to the repayment of construction costs allocated to irrigation. The remaining \$12,733,000 of the irrigation cost would be returned from surplus net revenues in the Upper Colorado River Basin fund apportioned to the States of Colorado and Wyoming.

* * *

Subject, of course, to consideration of comments received, I recommend you approve and adopt this report as your proposed report on the Savery-Pot Hook project, Colorado and Wyoming,

and you authorize me in your behalf to transmit copies to the States of the Colorado River Basin and to the Secretary of the Army for review as required by the act of December 22, 1944 (58 Stat. 877), to the States of Colorado and Wyoming as required by the Fish and Wildlife Coordination Act (48 Stat. 401, as amended; 16 U.S.C. 661 et seq.), to the other interested Federal agencies in accordance with interagency agreement, and to the Upper Colorado River Commission.

Respectfully,

FLOYD E. DOMINY,
Commissioner.

Approved and adopted January 22, 1960.

FRED A. SEATON,
Secretary of the Interior.

DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., August 31, 1960.

The SECRETARY OF THE INTERIOR.

SIR: This is my report on the Savery-Pot Hook project, Colorado and Wyoming, which is proposed as a participating project of the Colorado River storage project. This report is based on and includes our proposed report of January 8, 1960, which you approved and adopted on January 22, 1960, as your proposed report.

Copies of the proposed report were transmitted on January 28, 1960, to the affected States (Colorado, Wyoming, Utah, New Mexico, Arizona, California, and Nevada) and the Secretary of the Army for review in accordance with section 1(c) of the Flood Control Act of 1944. In accordance with the Fish and Wildlife Coordination Act (48 Stat. 401, as amended; 16 U.S.C. 661, et seq.), the report was also sent to the States of Colorado and Wyoming for comments from the head of the agency exercising administration over the wildlife resources of the State. In addition, copies were sent to the Federal agencies represented on the Inter-Agency Committee on Water Resources.

All of the States of the upper division of the Colorado River Basin (Colorado, New Mexico, Utah, Wyoming), the State of California, and the Department of the Army submitted their views and recommendations on the report and its proposals. All of the interested Federal agencies also submitted comments. Copies of the comments received are attached to, and made a part of, the report. Comments have not been received from the States of Arizona and Nevada which are not directly affected by the proposal.

All the comments received are favorable. The State of Colorado endorses the proposed plan of development without reservation, but urges that our recommendation concerning farm units of

economically adequate size be implemented in the authorizing legislation. While favorable to the proposal, the State of Wyoming makes the same observation regarding adequate size of farm units. Wyoming's approval, however, is based on the conditions that (1) more definite plans for the wildlife resources be formulated; (2) streamflows to be maintained for fishery purposes be reduced to a quantity which will not be detrimental to the irrigation features of the project in any manner; and (3) recommendations of the Savery-Little Snake River Water Conservancy District regarding Wyoming lands to be included and location of major canals be considered in our definite plan report. These recommendations, of course, will be accommodated to the extent possible in the preparation of the definite plan report after the project is authorized.

By letter of April 29, 1960, the Department of Health, Education, and Welfare offered several revisions to its December 1957 evaluation of the public health aspects of the project.

Revision of our proposed report, as a result of these reviews, does not appear to be necessary. Accordingly, I recommend that you approve and adopt this as the Department's report on the development of the Savery-Pot Hook project, and that you transmit it, together with the attached comments, to the President and subsequently to the Congress, as provided by the Reclamation Act of 1939.

Respectfully,

FLOYD E. DOMINY,
Commissioner.

Approved and adopted September 30, 1960.

ELMER F. BENNETT,
Acting Secretary of the Interior.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., September 30, 1960.

The PRESIDENT,
The White House,
Washington, D.C.

(Through the Bureau of the Budget).

DEAR MR. PRESIDENT: Our report on a plan of development for the proposed Savery-Pot Hook project, Colorado and Wyoming, is transmitted herewith as provided by section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187).

The Savery-Pot Hook project is a potential water resource development in the Little Snake River Basin in southern Wyoming and northwestern Colorado, proposed as a participating project of the Colorado River storage project. The report and its accompanying documents find that the project has engineering feasibility and is economically justified.

There is a great need in the project area for an additional and dependable irrigation water supply to stabilize agriculture and improve the economic status of the farmers. Local interests have done some preliminary work toward organizing conservancy districts to facilitate project authorization and construction.

Our proposed report was transmitted for review on January 28, 1960, as required by law and interagency agreement. Comments have been received from all of the States of the upper division of the Colorado River Basin (Colorado, New Mexico, Utah, and Wyoming), the State of California, and all of the interested Federal agencies. Copies of their letters are attached to the report. Comments have not been received from the States of Arizona and Nevada, which are not directly affected by the proposal.

We recommend that the plan of development for the Savery-Pot Hook project be authorized as set forth in our report. We shall appreciate your advice concerning the relationship of the Savery-Pot Hook project to your program before we transmit the report to the Congress for its consideration and appropriate action as provided in the Reclamation Project Act of 1939.

Sincerely yours,

ELMER F. BENNETT,
Acting Secretary of the Interior.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., January 10, 1962.

Hon. DAVID E. BELL,
Director, Bureau of the Budget, Washington, D.C.

DEAR MR. BELL: This letter is furnished in response to the informal suggestion by members of your staff concerning a reanalysis of the direct irrigation benefits presented in our report of August 31, 1960, on the Savery-Pot Hook project in Colorado and Wyoming, which was sent to you on September 30, 1960. The reanalysis is similar in approach to that used in the reanalysis of the Garrison diversion unit, Missouri River Basin project, transmitted to you by letter of January 19, 1961.

The first change in the farm budget analysis involved crop yields. Some of the field data, and particularly crop yields, previously used were obtained several years ago and largely reflected average crop yields obtainable at that time by the average farmer. The data did not reflect the effect of improved farm management practices that have been adopted since that time, particularly by the better farmers, or of continued improvements that may be expected to occur in the near future. Therefore, the crop yields used in the current farm budget analysis have been updated to approximate the level that is now being obtained under irrigation with modern farm management practices. The

adjusted yields are about 20 percent higher than those used in the previous study. Costs of farm inputs, including labor, fertilizer, machinery, and other farm expense items, were increased as required to be consistent with and to sustain the revised crop yields. A comparison of the crop yields used in the two analyses is presented in the attached table 1.¹

Livestock production rates have also been increasing over the past few years, so that lamb crops of 135 lambs per 100 ewes in farm flocks are not uncommon. Estimates used in the reanalysis are based on 130 lambs per 100 ewes, as compared to 110 lambs in the earlier study. Feed, labor, and other farm input costs were increased accordingly.

The second change involved the intensity of land use that is assumed in the budget analysis. This project is located in an area that experiences fairly severe winters and temperate summers, so most of the land will be utilized for the production of livestock feed and forage. Recent demands, however, for seed potatoes and malting barley, crops for which the area is also well adapted, have developed in western Colorado. Approximately 12 percent of the project irrigated acreage is expected to be utilized in the production of these crops. The remaining 88 percent of the irrigated land will be utilized in support of livestock enterprises involving sheep, cattle, and dairy cows. The anticipated land use is also shown in table 1.¹

The third change was made in the anticipated size and types of farming. The reanalysis was based upon dairy and sheep farms, ranging from 140 to 300 acres in size, whereas the previous analysis was based largely upon sheep farms with sizes ranging from 148 to 203 acres. While the area is expected to remain predominantly a livestock-producing area, recent changes in the demand for grade A fluid milk have caused some shift from the production of grade C manufacturing milk to grade A milk production. This trend is expected to continue to the extent that 15 percent of the newly irrigated land will be used to support this type of agriculture. Approximately 85 percent of the area is expected to be in farms producing sheep and beef cattle. This increased range in size of the farm and the use of more types presents a more accurate analysis of the benefits that may be anticipated from the development of the Savery-Pot Hook project.

The revised benefits compared to those previously used are presented in the attached table 2.¹

With the revised benefits, the Savery-Pot Hook project has a benefit-cost ratio, based upon total benefits and 100-year period of analysis of 2.76. For a 50-year period the comparable ratio is 2.15. Using direct benefits only, the corresponding 100-year and 50-year ratios are 1.46 and 1.14, respectively.

Sincerely yours,

KENNETH HOLUM,
Assistant Secretary of the Interior.

¹ Excluded from this publication.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., June 13, 1962.

Hon. STEWART L. UDALL,
Secretary of the Interior,
Washington, D.C.

DEAR MR. SECRETARY: This will acknowledge your letter of March 10, 1961, and Assistant Secretary Holum's letter of January 10, 1962, concerning your proposed report on the Savery-Pot Hook project in Colorado and Wyoming. You request advice as to the relationship of the proposed development to the program of the President.

This project, proposed as a participating project of the Colorado River storage project, would consist of two reservoirs with a combined capacity of 83,600 acre-feet, a diversion dam, and a distribution system. Irrigation water would be provided for 35,265 acres, including 21,920 newly irrigated acres and 13,345 acres to receive a supplemental supply. The total construction cost is estimated to be \$15,485,000, of which \$15,016,000 is allocated to irrigation, \$153,000 to fish and wildlife, and \$79,000 to recreation. Of the costs allocated to irrigation, \$2,155,000 would be paid by irrigation water users. The balance of the irrigation costs are to be repaid from surplus power revenues of the Colorado River storage project. A recent reanalysis of the direct irrigation benefits indicates that the benefit-cost ratio for the project using a 100-year evaluation period is estimated at 2.76 on the basis of total benefits and at 1.46 on the basis of direct benefits only.

Your proposed report indicates that a start of construction on the project not earlier than 1970 might be necessary because of limited surplus power revenues available for irrigation developments in Wyoming. However, representatives of the Department have furnished us informally with a recently revised Colorado River storage project repayment study which indicates that power revenues available to assist in repayment of the Wyoming portion of the Savery-Pot Hook project will be adequate to permit an early start on construction.

Accordingly, there would be no objection to the submission of your proposed report to the Congress. However, no commitment can be made at this time as to when any estimate of appropriation would be submitted for construction of the Savery-Pot Hook project, if authorized by the Congress, since this would be governed by the President's budgetary objectives as determined by the then prevailing fiscal situation.

Sincerely yours,

ELMER B. STAATS,
Acting Director.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., June 25, 1962.

Hon. JOHN W. MCCORMACK,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: As provided by section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187), transmitted herewith is my report on the Savery-Pot Hook project, Colorado-Wyoming.

The report presents a plan of development for a proposed water resource development in the Little Snake River Basin in northwestern Colorado and southern Wyoming, which is proposed as a participating project of the Colorado River storage project. The plan of development is engineeringly feasible and economically justified.

My proposed report on this project was transmitted to the affected States, the Secretary of the Army, and the interested Federal agencies for review as required by law and interagency agreement. Comments have been received from all of the States of the upper division of the Colorado River Basin (Colorado, Wyoming, Utah, and New Mexico), the State of California, and all of the interested Federal agencies. Copies of their letters are attached to the report. Comments have not been received from the States of Arizona and Nevada, which are not directly affected by the proposal.

The report and copies of the comments received were submitted to the President on September 30, 1960. Enclosed is a copy of a letter dated June 13, 1962, from the Acting Director of the Bureau of the Budget advising that there would be no objection to the submission of the report to the Congress. As indicated in the Acting Director's letter, a recent reanalysis of the direct irrigation benefits shows that the benefit-cost ratio of the project would increase to 2.76 to 1 for a 100-year period of evaluation. This reanalysis, which was submitted to the Bureau of the Budget in our letter of January 10, 1962 (copy of which is attached to and made part of this report), was based on construction costs as of January 1961. On that price basis, which generally reflects current prices, the total construction cost of the project is estimated to be \$15,485,000. Excluding \$237,000 for past investigation expenditures, \$15,016,000 of the project cost is tentatively allocated to irrigation, \$153,000 to fish and wildlife, and \$79,000 to recreation.

I recommend that construction of the Savery-Pot Hook project, Colorado and Wyoming, be authorized.

Sincerely yours,

KENNETH HOLUM,
Assistant Secretary of the Interior.

AUTHORIZATION OF SAVERY-POT HOOK, BOSTWICK PARK, AND FRUITLAND MESA PARTICIPATING PROJECTS

An act to provide for the construction, operation, and maintenance of the Savery-Pot Hook, Bostwick Park, and Fruitland Mesa participating reclamation projects under the Colorado River Storage Project Act. (Act of September 2, 1964, 78 Stat. 852, Public Law 88-568.)

SEC. 1. [Appropriation authorized.] That, in order to provide for the construction, operation, and maintenance of the Savery-Pot Hook Federal reclamation project, Colorado-Wyoming, the Bostwick Park Federal reclamation project, Colorado, and the Fruitland Mesa Federal reclamation project, Colorado, as participating projects under the Colorado River Storage Project Act (70 Stat. 105; 43 U.S.C. 620), section 1 of said Act is amended by inserting the words "Savery-Pot Hook, Bostwick Park, Fruitland Mesa," between the words "Seedskadee" and "Silt"; section 2 of said Act is amended by deleting the words "Savery-Pot Hook," "Bostwick Park," and "Fruitland Mesa,". The amount which section 12 of said Act authorizes to be appropriated is hereby increased by the sum of \$47,000,000 plus or minus such amounts, if any, as may be required by reason of changes in construction costs as indicated by engineering cost indexes applicable to the type of construction involved. This additional sum shall be available solely for the construction of the projects herein authorized.

SEC. 2. [Construction and operation.] The Savery-Pot Hook Federal reclamation project shall be constructed and operated substantially in accordance with the engineering plans set out in the report of the Secretary of the Interior transmitted to the Congress on June 25, 1962, and printed as House Document 461, Eighty-seventh Congress. The Bostwick Park Federal reclamation project shall be constructed and operated substantially in accordance with the engineering plans set out in the report of the Secretary of the Interior submitted to the Congress on July 20, 1962, and printed as House Document 487, Eighty-seventh Congress. The Fruitland Mesa Federal reclamation project shall be constructed and operated substantially in accordance with the engineering plans set out in the report of the Secretary of the Interior transmitted to Congress on April 19, 1963, and printed as House Document 107, Eighty-eighth Congress. Acreage equivalents expressed in those reports may be modified at the discretion of the Secretary of the Interior.

SEC. 3. [Act of April 28, 1958, applicable.] For the purpose of assisting in the permanent settlement of farm families, protecting project land, facilitating project development, and other beneficial purposes, the provisions of the Act of August 28, 1958 (72 Stat. 963), relating to the Seedskadee project in Wyoming, are hereby made equally applicable to the Savery-Pot Hook, Bostwick Park, and Fruitland Mesa projects and all references therein to "Wyoming", "the State of Wyoming", "the laws of the

State of Wyoming", or "said State" shall also refer to the State of Colorado to the extent that lands of the said projects are situated therein, except that on the said projects the limitation on lands held in single ownership which may be eligible to receive project water from, through, or by means of project works shall be one hundred and sixty acres of class 1 land as defined for the Bostwick Park project or the equivalent thereof in other land classes as determined by the Secretary of the Interior.

SEC. 4. (a) [**Cost reimbursability.**] Costs of the Bostwick Park, Fruitland Mesa, and Savery-Pot Hook projects, incurred pursuant to section 8 of the Act of April 11, 1956 (70 Stat. 105), including an appropriate share of the aggregate of joint costs allocated to recreation and fish and wildlife enhancement shall be nonreimbursable: *Provided*, That in the case of the Bostwick Park project joint costs allocated to recreation and fish and wildlife enhancement shall in the aggregate be nonreimbursable only to the extent they do not exceed 25 per centum of the cost of joint use land and facilities of that project (joint use land and facilities being defined as land or facilities serving two or more project purposes one of which is recreation or fish and wildlife enhancement) and: *Provided further*, That provision shall be made for the reimbursement, for the contribution by non-Federal interests, or for the reallocation of joint costs of said project allocated to recreation and fish and wildlife enhancement in excess of the foregoing limit under one or a combination of the following methods as may be determined appropriate by the Secretary: (1) provision by non-Federal interests of lands or interests therein, or facilities required for the project; (2) payment, or repayment, with interest at a rate determined in accordance with section 5(f) of the Act of April 11, 1956, as amended, pursuant to agreement with one or more non-Federal public bodies; (3) reallocation to other project functions in the same proportion as joint costs are allocated among such functions.

(b) In connection with the Bostwick Park and Fruitland Mesa projects the Secretary of the Interior shall transfer lands acquired for the projects within exterior national forest boundaries for administration as national forest, and jurisdiction of national forests lands within the projects shall remain with the Secretary of Agriculture for recreation and other national forest system purposes: *Provided*, That the lands and waters within the flow lines of any reservoir or otherwise needed or used for the operation of the projects for other purposes shall continue to be administered by the Secretary of the Interior to the extent he determines to be necessary for such operation.

(c) Costs of means and measures to prevent loss of and damage to fish and wildlife resources shall be considered as project costs and allocated as may be appropriate among other project functions.

SEC. 5. [**Water delivery for surplus crops.**] For a period of ten years from the date of enactment of this Act, no water from the

projects authorized by this Act shall be delivered to any water user for the production of newly irrigated lands of any basic agricultural commodity, as defined in the Agricultural Act of 1949, or any amendment thereof, if the total supply of such commodity for the marketing year in which the bulk of the crop would normally be marketed is in excess of the normal supply as defined in section 301(b)(10) of the Agricultural Adjustment Act of 1938, as amended, unless the Secretary of Agriculture calls for an increase in production of such commodity in the interest of national security.

ANIMAS-LA PLATA PARTICIPATING PROJECT ¹

COLORADO-NEW MEXICO

[House Document No. 436, 89th Congress]

DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., August 22, 1962.

The SECRETARY OF THE INTERIOR.

SIR: This is my proposed report on the Animas-La Plata project, Colorado and New Mexico. It is based on and includes the attached feasibility report ² of the Regional Director, dated February 26, 1962, and its appended reports of the Bureau of Sport Fisheries and Wildlife, National Park Service, Forest Service, Bureau of Mines, Bureau of Indian Affairs, Corps of Engineers, and Public Health Service. This is one of the potential participating projects that were given priority in respect to the completion of planning reports by the Colorado River Storage Project Act of April 11, 1956 (70 Stat. 105).

The Animas-La Plata project is a proposed multipurpose water resource development in the San Juan River Basin in southwestern Colorado and northwestern New Mexico. The project would develop flows of the Animas and La Plata Rivers systems for irrigation, municipal and industrial use, recreation, and fish and wildlife conservation. In general, the flood problem in the vicinity of the project is limited, and the proposed storage regulation would provide no significant flood control benefits. Development of hydroelectric power is not included as a project purpose as none of the possibilities to develop it was found to be economically justifiable.

* * *

The proposed plan of development for the project would provide, in the Animas-La Plata area, a full irrigation supply for

¹ See page 287 for authorizing act.

² Excluded from this publication.

58,900 acres of land that are not now irrigated and a supplemental irrigation supply for 25,600 acres that are now inadequately served. Of the 58,900 acres of full service land, 44,200 acres are in Colorado, and 14,700 acres are in New Mexico. A substantial acreage of the full service land in each State consists of Indian-owned lands. The supplemental service land, all non-Indian-owned, consists of 20,100 acres located in Colorado and 5,500 acres in New Mexico. The municipal and industrial supply for Durango would be increased by an average of 9,200 acre-feet annually, and the source of the city's supply would be changed to eliminate diversions from the Florida River.

* * *

The principal storage facilities for the Animas-La Plata project would consist of the Howardsville Dam and Reservoir on the Animas River, about 2 miles upstream from the town of Silverton, and the offstream Hay Gulch Dam and Reservoir on Hay Gulch, at the terminus of the proposed Animas diversion canal about 23.5 miles west of Durango, Colo. Additional offstream regulatory storage would be provided at the Meadows Reservoir and the Animas Mountain Reservoir. Three diversion dams would be constructed in addition to an extensive system of diversion and distribution canals and laterals. Extensive drainage systems would be constructed, as well as a limited system of flood channels to carry off storm runoff.

* * *

The revised estimated total Federal construction cost of the proposed Animas-La Plata project is \$102,281,900 on the basis of the official estimate prepared March 30, 1961, and the above-described increase in cost for acquisition of recreation lands. This cost estimate for the various project features was based on prices prevailing from June 1960 to March 1961. If indexed to a common base at present price levels, the estimate would be substantially the same.

* * *

In the allocation of construction costs as presented in the attached regional director's report of February 1962, an adjustment was made in the allocations to irrigation and fish and wildlife to reflect the assignment of the operation and maintenance costs associated with fish and wildlife in order to eliminate the necessity for congressional appropriations of such operating cost each year. That procedure is hereby modified to eliminate the adjustment in the construction costs assigned to the irrigation and fish and wildlife functions as explained below. Thus, of the total estimated construction cost, exclusive of \$890,000 of nonreimbursable funds expended for investigations, \$95,878,000 is hereby allocated tentatively to irrigation and \$2,388,000 to municipal and industrial water supply as reimbursable costs. The construction cost tentatively allocated to fish and wildlife is \$2,744,000, and to recreation it is \$381,900. Contrary to the procedure followed in the derivations presented in the attached

report, it has been determined that the operating organization should be reimbursed or otherwise credited on an annual basis for the operating expense incurred on joint facilities in connection with the fish and wildlife function. This decision has therefore resulted in the elimination of the \$127,000 adjustment (which is the present worth of the \$3,500 estimated annual operation and maintenance costs associated with fish and wildlife computed for a 100-year period at 2½ percent interest) in the handling of the costs allocated to irrigation and fish and wildlife.

Since all of the construction cost allocated to fish and wildlife is for the development and improvement of the resource and since the benefits which would accrue to the public at large are not readily identifiable with any group or groups of beneficiaries, it is found that all of the allocated costs of fish and wildlife would be nonreimbursable in accordance with the Fish and Wildlife Coordination Act.

As presented in the attached regional director's report, only the specific costs of recreation development would be nonreimbursable. In view of the newly approved procedures for the formulation and evaluation of water resources projects, we recommend that congressional authority be sought to allocate an equitable portion of the joint project cost to recreation on a nonreimbursable basis. If such authority is obtained, the reallocation of costs to the several functions would be accomplished during advance planning of the project following authorization of its construction.

* * *

The proposed plan of development, as presented herein, is engineeringly feasible and economically justified. I, therefore, concur in and adopt the recommendations of the regional director as set forth on page 152 of his report.

I recommend that you approve and adopt this as your proposed report on the Animas-La Plata project, Colorado and New Mexico, and that you authorize me, on your behalf, to transmit copies to the States of the Colorado River Basin and to the Secretary of the Army for review, as required by the act of December 22, 1944 (58 Stat. 877); to the States of Colorado and New Mexico, as provided by the Fish and Wildlife Coordination Act (48 Stat. 401, as amended; 16 U.S.C. 661, et seq.); to the other interested Federal agencies in accordance with inter-agency agreement; and to the Upper Colorado River Commission.

Respectfully,

FLOYD E. DOMINY,
Commissioner.

Approved and adopted, October 8, 1962.

STEWART L. UDALL,
Secretary of the Interior.

DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., April 12, 1966.

The SECRETARY OF THE INTERIOR.

SIR: This is my report on the Animas-La Plata project, Colorado and New Mexico. It is based on and includes our proposed report of August 22, 1962, which you approved and adopted on October 8, 1962, as your proposed report.

Copies of the proposed report were transmitted on October 12, 1962, to the affected States and to the Secretary of the Army for review as required by law. In accordance with the Fish and Wildlife Coordination Act, the report was also sent to the States of Colorado and New Mexico for comments from the head of the agency exercising administration over the wildlife resources of those States. In addition, copies were sent to the interested Federal agencies in accordance with procedures approved by the President on May 16, 1962. Copies of the comments¹ received are attached to and made part of this report.

The State of Colorado fully concurred with the findings and recommendations contained in our proposed report. In its letter of comment, the State pointed out that it was not fully in accord with one of our assumptions governing the water supply studies—that any flows found to be surplus to established water rights on the San Juan River below Farmington would be divided between the Animas-La Plata project and potential upstream San Juan River projects on the basis of each stream's historic contribution. Colorado pointed out, however, that since the assumption reflects a conservative view, that State has no quarrel with it being used solely for the purpose of determining project feasibility. Colorado also mentioned its belief that since the proposed project is actually a joint Colorado-New Mexico venture, any water-supply conflict is more imaginary than real. The Colorado Game and Fish Department reviewed and approved the report of the Bureau of Sport Fisheries and Wildlife.

The State of New Mexico concurred generally in the conclusions and recommendations of our proposed report and expressed its desire to cooperate in securing early authorization and construction of the project as a participating project of the Colorado River storage project. New Mexico also commented on the same water supply assumption as did Colorado, with essentially the same conclusion; i.e., that the criterion is not intended as a legal interpretation in regard to water rights and that the use of it does not affect the validity of the conclusion concerning the adequacy of the water supply for the Animas-La Plata project. New Mexico also discussed several provisions which it suggested for inclusion in the authorizing legislation. Letters from the New Mexico Game and Fish Department, the New Mexico Department of Public Health, and the New Mexico Highway Department presenting their views on the report were attached to

¹ Excluded from this publication.

the State's letter of comment. None was opposed to the development of the project.

The State of California did not comment specifically on the project or offer objection to the plan of development. It confined its comments to general reservations concerning the sufficiency of uncommitted waters in the Colorado River Basin to supply authorized projects and other prospective projects under active consideration. Following its subsequent review of proposed reports on such prospective projects as the Dolores, Dallas Creek, West Divide, and San Miguel, and further consideration of current proposals to implement regional water planning, the State advised by telegram on April 5, 1966, that it interposes no opposition to authorization of construction of the Animas-La Plata project.

The Acting Chief of Engineers, Department of the Army, advised that the proposed improvements would not conflict with any other plans or existing projects of the Corps of Engineers. As requested, preconstruction planning on our proposed project would be coordinated with the corps, which has been investigating the feasibility of providing flood control for the city of Durango, Colo., where a serious flood problem exists along Junction Creek.

The Department of Health, Education, and Welfare noted that its Public Health Service report on this project was prepared prior to enactment of Public Law 87-88 and, therefore does not include reference to the flow regulations of that act. As recommended by that Department, consideration will be given during advance planning following authorization to the inclusion of storage for regulation of streamflow for water quality control, including recommendations concerning any changes or other measures with respect thereto.

The other States and Federal agencies either endorse or have no objection to the project. Suggested improvements or modifications of certain technical or related details of the proposed plan of development will be considered and can be accommodated as desirable or necessary during advance planning and preconstruction activities following authorization of construction. Revision of our proposed report as a result of these reviews does not appear to be necessary.

Subsequent to the above-described actions, we reformulated the project plan to take advantage of opportunities for municipal and industrial water development which have arisen from recently manifested commercial interest in coal reserves in the area. A copy of the regional director's March 31, 1966, supplement¹ to his 1962 feasibility report is attached to and made a part of this report. The 1966 supplement presents the reformulated project plan which also modifies the plan of development to conform with current policies for project formulation and the provisions of the Federal Water Project Recreation Act (Public

¹ Excluded from this publication.

Law 89-72, 79 Stat. 213). In addition, project cost estimates have been updated to reflect current (January 1966) prices.¹

A comparison of the two plans is presented in chapter VI, page 37, of the attached supplement of March 1966. The most significant result of the reformulation of the project plan is a decrease in the full service irrigated acreage from 58,900 acres to 46,520 acres and an increase in the proposed municipal and industrial water supply from 9,200 acre-feet to 76,200 acre-feet annually. The potential Three Buttes Dam and Reservoir on Cinder Gulch has been added as a project storage facility to provide a water supply for the potential coal-fueled powerplant expected to be constructed by non-Federal interests and for the irrigation development proposed in the McDermott area of New Mexico. Recreation facilities also would be developed at the reservoir.

The estimated total project cost is increased from \$102,281,900 to \$109,493,000, the major part of this increase being attributable to the increased price index. However, the nonreimbursable construction costs have decreased from \$3,125,900 to \$2,410,000, and the reimbursable costs have increased accordingly from \$101,391,900 to \$107,083,000. A tabulation² is enclosed comparing the allocations of project costs and the repayment aspects of the reformulated plan with those presented in our proposed report of August 22, 1962. The benefit-cost ratio using total benefits for a 100-year period of analysis has decreased from 1.89 to 1 to 1.73 to 1; however, the ratio of the direct benefits only to the project costs has increased from 0.97 to 1 to 1.11 to 1.

The Colorado Water Conservation Board, State Engineer of New Mexico, New Mexico State Department of Health, La Plata Water Conservancy District in Colorado, La Plata Conservancy District in New Mexico, the Ute Mountain and Southern Ute Indian Tribes, other local groups, and the concerned Federal agencies cooperated in the formulation of the modified project plan. To assure the anticipated benefits to the Ute Mountain and Southern Ute Indian Tribes as participants in the Animas-La Plata project, we recommend that the authorizing legislation provide specifically for the development of irrigated land on the Southern Ute and Ute Mountain Indian Reservations and for the allocation of project water supplies for municipal and industrial use on the reservations substantially in accordance with the plan presented herein.

As is discussed in the supplemental report, the water pollution problems associated with the development of the project have also been substantially removed because of the present plan to provide project water supplies to municipalities in the area and because of changes in water supply facilities which have occurred since the studies leading to the 1962 feasibility report were completed.

¹ [Extract from House Report 1312, 90th Congress Apr. 24, 1968, Part XI.]—Total estimated cost at 1967 prices is \$115,880,000 of which \$113,427,800 is reimbursable and allocated as follows: \$83,433,000, Irrigation; \$29,710,000, Municipal and Industrial water; and \$284,800, Recreation and Fish and Wildlife. The nonreimbursable cost of \$2,452,200 is all allocated to Recreation and Fish and Wildlife.

² Excluded from this publication.

I recommend that you approve and adopt this report as your report on the Animas-La Plata project, Colorado-New Mexico, and that you transmit it, together with the attached documents, to the President and subsequently to the Congress, as provided by the Reclamation Project Act of 1939.

Respectfully,

FLOYD E. DOMINY,
Commissioner.

Approved and adopted April 13, 1966.

STEWART L. UDALL,
Secretary of the Interior.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., April 13, 1966.

The PRESIDENT,
The White House,
Washington, D.C.
(Through Bureau of the Budget).

DEAR MR. PRESIDENT: My report on a plan of development for the Animas-La Plata project, Colorado-New Mexico, is transmitted herewith as provided by section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187) and section III-E-3 of the procedures approved by the President on May 15, 1962 (S. Doc. 97, 87th Cong.).

The Animas-La Plata project is a potential multiple-purpose water resource development in southwestern Colorado and northwestern New Mexico, which is proposed as a participating project of the Colorado River storage project. The report and its accompanying documents demonstrate that this proposed project has engineering feasibility and is economically justified.

A dependable water supply is the most urgent need of the project area. It is essential to stabilization of agriculture on the presently irrigated area, and to the continuing development of other resources. Expansion of the municipal water supply system of the area has not kept pace with the population growth, and sizable quantities of industrial water are required for the development of thermal electric powerplants which would utilize the area's significant coal reserves. The States of Colorado and New Mexico, the city of Durango, and local interests have all actively supported development of the project and have contributed funds toward the cost of project investigations. The existing La Plata Water Conservancy Districts in Colorado and New Mexico are expected to be expanded to serve as the administrative and repayment contracting agencies.

My proposed report was transmitted to the affected States and interested Federal agencies for review on October 12, 1962, as required by law and Presidential instructions. Copies of the review comments received are attached to the report.

My report includes a supplement dated March 31, 1966, which updates the February 1962 plan of development for the project to conform to current policy and price indexes and modifies it to provide significantly greater municipal and industrial water supplies to meet recently manifested requirements for such supplies.

I recommend that the plan of development for the Animas-La Plata project, Colorado-New Mexico, be authorized as set forth in the report. I shall appreciate your advice concerning the relationship of the project to your program before I transmit the report to the Congress for its consideration and appropriate action, as provided in the Reclamation Project Act of 1939.

Sincerely yours,

STEWART L. UDALL,
Secretary of the Interior.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., April 30, 1966.

Hon. STEWART L. UDALL,
Secretary of the Interior, Washington, D.C.

DEAR MR. SECRETARY: This is in reply to your letters of April 6 and 13, 1966, submitting your proposed reports on the Dallas Creek, San Miguel, West Divide, and Animas-La Plata projects in Colorado. These Upper Colorado Basin projects, together with the Dolores project on which we advised you earlier, would be authorized under the provisions of a revision of H.R. 4671 (found in House Interior Committee Print No. 19), legislation to authorize the Lower Colorado River Basin project, which is now under consideration in the Congress. This legislation would also authorize the Central Arizona project, Bridge and Marble Canyon Dams, and related works in the Lower Colorado Basin as features of an overall Colorado Basin development.

Except for San Miguel, the projects meet the conventional direct benefit-cost ratio criterion. However, all five projects have a high cost per acre and investment per farm, and the irrigation cost per acre for Dallas Creek, San Miguel, and West Divide are among the highest for reclamation projects. In all cases, irrigation farmers will be heavily subsidized by assistance from power revenues and the percentage repayment of irrigation cost by water users is only a small fraction of the irrigation allocation. Since these new projects in the Upper Colorado Basin would require such heavy subsidies for irrigation farmers, we question the desirability in areas of critically short water supply of Federal Government sponsorship without further consideration of both alternative uses and of supplemental water sources.

Our specific comments on the individual projects are as follows:

Dolores project

The Dolores project, which we cleared in our letter to you of May 4, 1966, has a cost per acre for the irrigation allocation of \$630 and a direct 100-year benefit-cost ratio just above unity (1.07 to 1). The irrigation investment per farm would be approximately \$140,000. The repayment of the irrigation allocation is low (16.8 percent) and, as we noted in our earlier letter, the charges for municipal and industrial water might be raised to help pay for the project and reduce power subsidies from the Upper Colorado River Basin fund.

Animas-La Plata project

The revised Animas-La Plata project would also have a heavy dependence on power revenues, with a water users repayment of only 13.1 percent. The investment per farm would be about \$157,000. The project has a cost per acre of \$840 and a low direct benefit-cost ratio (1.1 to 1). While there appears to be no immediate need for the 23,500 acre-feet of municipal and industrial water that would be delivered to the Ute Mountain Tribe Reservation, the allocation of this water for these purposes rather than irrigation improves the project. The charge for municipal and industrial water seems very low considering that it will probably be used in large part for developing a profitable coal-steam power industry.

Dallas Creek project

The Dallas Creek project has a very high cost per acre (\$1,140) and the irrigators' repayment is low (11.9 percent). The investment per farm would be about \$192,000. We agree with the comment of the Department of Agriculture that the economic growth of the area would be stimulated more by the planned development of additional municipal and industrial water supply to meet future demands rather than allocating large amounts of water to irrigation. We also agree with the comment of the State of Nevada that the charge on the contemplated municipal and industrial water could be increased to help in the direct repayment of the project.

West Divide project

The West Divide project has one of the highest costs per acre (\$1,710) of any reclamation project. The investment per farm would be approximately \$273,000. We also question whether there is enough demand in the near future to necessitate the immediate authorization of this project and believe it would be preferable for the project to be deferred until it is clear that there will be a real demand for the project water for the development of oil shale reserves. However, if the oil shale reserves are developed, it would seem to be an unwise use of resources to commit water to irrigation if the future demands for municipal and industrial water are as great as anticipated in the project report. Furthermore, we agree with the State of Nevada that the water charge for municipal and industrial water could be substantially in-

creased, particularly in light of the commercial development of the oil shale resources.

San Miguel project

The San Miguel project appears to have the lowest priority of the five projects. It has a very high cost per acre (\$1,310), an extremely low irrigators' repayment (10 percent) with a correspondingly heavy dependence on power revenues and a direct benefit-cost ratio significantly less than unity (0.89 to 1). The investment per farm would be approximately \$226,000. We agree with the comments of the State of Nevada that the municipal and industrial water charges could be at least doubled.

We fully understand the desire of the State of Colorado to make full use of its compact entitlement to the scarce waters of the Upper Colorado Basin. These five projects would, however, exhaust the remaining supply of water available to the State of Colorado. Further, the situation is somewhat different in the Upper than in the Lower Colorado Basin. In the lower basin, an established economy is faced with an immediate water crisis accelerated by the pressures of population growth. In both the upper and lower basins, nevertheless, the same considerations—population pressures, alternative opportunities for regional development, development for industrial as well as agricultural purposes, demands for water at the lowest possible cost—emphasize the critical importance of planning at this time to use waters available to the States of the Colorado Basin in the most efficient possible way, and thereby, to make an optimum contribution to the future growth of the States, the region, and the Nation.

The revision of H.R. 4671, contained in House Interior Committee Print No. 19, on which hearings are scheduled before the House Interior and Insular Affairs Committee for May 9, 1966, is designed to solve water problems in the Colorado Basin by directing the Secretary of the Interior to consider projects to import up to 8.5 million acre-feet annually, in addition to authorizing developments in the Upper and Lower Colorado Basins, including the Central Arizona project, as noted above. We commented last year on S. 75 and S. 1019, similar bills to authorize certain developments in the Lower Colorado Basin and to provide means of augmenting water supplies for that area. However, the revision of H.R. 4671 would apply to both the Upper and Lower Colorado Basins and would go substantially beyond the legislation commented on by the Bureau last year.

These considerations, particularly the major policy and budgetary implications of any proposed major importation of waters as contemplated in the measure now under consideration by the Congress, in our view, underline the importance of prompt establishment of the National Water Commission recommended by the administration to review these and other complex water problems both in the West and throughout the entire Nation. This Commission, composed of the most able individuals from

all related disciplines, would advise on the entire range of water resource problems—from methods to conserve and augment existing water supplies to the application of modern technology, such as desalting, to provide more usable water for our cities, our industries, and our farms. We would favor acceleration of the review of western water problems with particular emphasis on the Colorado Basins. The Commission would also provide a focal point for a considered assessment of the conflicting objectives of power, water supply, and the preservation of areas of unique, scenic value—presented by proposals for dams in the Colorado River Gorge.

In summary, for the reasons expressed above, the Bureau of the Budget would favor deferral of at least the West Divide, San Miguel, and Dallas Creek projects at this time, pending the establishment of the National Water Commission and completion of its review of related water problems. We believe that this course of action will permit water developments needed at this time in the Colorado Basin to proceed, but at the same time provide a basis for thorough consideration of the fundamental issues involved and a recommended program that will be in the best interest of the people of the Upper and Lower Colorado Basins, as well as the Nation as a whole.

Sincerely,

PHILLIP S. HUGHES,
Deputy Director.

THE SECRETARY OF THE INTERIOR,
Washington, May 3, 1966.

Hon. JOHN W. MCCORMACK,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: As provided by section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187), transmitted herewith is my report on the Animas-La Plata project, Colorado-New Mexico.

The report presents a plan for a water resource development in southwestern Colorado and New Mexico which is proposed as a participating project of the Colorado River storage project. The plan has engineering feasibility and is economically justified.

My proposed report on this project was transmitted on October 12, 1962, to the States of the Colorado River Basin, the Secretary of the Army, and the interested Federal agencies for review as required by law and the procedures approved by the President on May 15, 1962. Copies of the review comments received are attached to the report.

The report and copies of the comments received were submitted to the President on April 13, 1966. Enclosed is a copy of a letter dated April 30, 1966, from the Deputy Director,

Bureau of the Budget. The Deputy Director does not offer objection to authorization of the Animas-La Plata project, Colorado-New Mexico. I confirm, therefore, my earlier recommendation that this project be authorized for construction.

Sincerely yours,

STEWART L. UDALL,
Secretary of the Interior.

DALLAS CREEK PARTICIPATING PROJECT ¹

COLORADO

[House Document No. 433, 89th Congress]

DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., March 10, 1966.

The SECRETARY OF THE INTERIOR.

SIR: This is my proposed report on the Dallas Creek project, Colorado. It is based on and includes the attached feasibility report of the regional director, dated February 25, 1966, and its appended reports of the National Park Service, Bureau of Sport Fisheries and Wildlife, Corps of Engineers, Public Health Service, and Bureau of Mines.² This is one of the potential participating projects that were given priority in respect to the completion of planning reports by the Colorado River Storage Project Act of April 11, 1956 (70 Stat. 105).

The Dallas Creek project is a proposed multipurpose water resource development in Delta, Montrose, and Ouray Counties in west-central Colorado. The project would develop the water of the Uncompahgre River and tributaries for irrigation, municipal, and industrial use. It would also provide flood control, recreation, and fishery benefits. Development of hydroelectric power as a project purpose was not found to be feasible.

In the Dallas Creek project irrigation service area, there is an urgent need for additional and dependable irrigation supplies to improve and stabilize the economy of the farmers and of related service industries. At the present time the late-season water shortages on irrigated lands commonly result in crop failures. Dryland farming is practiced to a limited extent but results are uncertain. Large acreages of land once cleared for dry farming at considerable expense are no longer farmed because of frequent crop failures due primarily to insufficient rainfall. Decreases in grazing privileges on public lands in recent years

² See page—for authorizing act.

¹ Excluded from this publication.

have adversely affected some livestock operations and increased the need for more farm-grown feed. Many of the farmers have depressed living standards because of limited agricultural production.

Additional municipal and industrial water is needed to meet existing and anticipated needs of local communities and to provide a safe and convenient supply for surrounding rural areas. The need for additional water in the communities is accentuated by the population growth anticipated for them in the years ahead. The already important recreation attractions of the area will soon be greatly increased with completion of the Curecanti unit of the Colorado River storage project on the Gunnison River, of which the Uncompahgre is a tributary. Local industrial development also is expected to be stimulated by hydroelectric power from the powerplants at the Curecanti unit and other units of the storage project, and municipal growth in the project area will result from the new power operations center at Montrose. Development of the authorized Fruitland Mesa and Bostwick Park projects and of the Dallas Creek project itself, if authorized for construction, would increase agriculture and would improve recreation and fish and wildlife attractions, further stimulating growth of the general area.

Control of floodflows of the Uncompahgre River is needed to prevent the inundation of farmlands and frequent channel changes that now occur during the spring snowmelt period and during heavy rainstorms which usually occur in the late summer.

Local residents, western slope interests in Colorado, and State officials have long urged the development of the Dallas Creek project as a means of utilizing undeveloped land and water resources in the Uncompahgre River Basin. Project sponsorship was the primary purpose for organization of the Tri-County Water Conservancy District in September 1957 by the local residents. The district has actively supported the project investigations and is obtaining water rights needed for the development. The Colorado Water Conservation Board has made contributions toward the completion of project investigation work and has helped coordinate activities of the various agencies engaged in the investigations. About 90 percent of the full-time farmers in the project area were contacted by representatives of the Bureau of Reclamation in 1962 and 1963 in the course of a farm management survey required in project analyses. Almost without exception these farmers expressed support of the project and a desire to subscribe for additional water. Unqualified support was also expressed in public meetings held in the area for the purpose of discussing the project plan.

Under the proposed plan of development, irrigation water supplies would be increased by an average of 60,300 acre-feet annually for supplemental service to 8,720 acres of presently irrigated land now having inadequate supplies, and for full service to 14,900 acres of land not now irrigated. The project would also develop an average of 15,000 acre-feet annually of municipal

and industrial water supply to provide for the present needs of the project area and anticipated future needs.

The project plan provides for storage capacity in three upstream reservoirs. The 146,500-acre-foot Ridgway Reservoir on the Uncompahgre River and Dallas Creek would be formed by the 172-foot-high, rolled earthfill Ridgway Dam and 1,460-foot-long dike. The 17,600-acre-foot Dallas Divide Reservoir on Pleasant Valley Creek would be formed by the 165-foot-high, rolled earthfill Dallas Divide Dam. The 825-acre-foot Sneva Reservoir would be at an offstream site near Cow Creek. The storage reservoirs' water supplies would be supplemented or (in the case of Sneva) entirely supplied by the 8½-mile Cow Creek feeder canal, the 13½-mile Dallas Creek feeder canal, and an existing ditch, respectively.

Water from Ridgway Reservoir would be pumped by the Ridgway pumping plant to the 16-mile-long McKenzie Canal for distribution, water from the Dallas Divide Reservoir would be distributed to project lands through the 5-mile Pleasant Valley and 9-mile Log Hill Mesa Canals, and water from Sneva Reservoir would be distributed by the Sneva outlet canal. Project laterals and drains would be constructed as needed.

* * *

The total construction cost of the proposed Dallas Creek project is estimated to be \$37,687,000, based on January 1964 prices.¹ This includes \$678,000 of preauthorization investigation costs, of which \$336,000 were financed from the Colorado River Development Fund and are not reimbursable by the project. It also includes \$520,000 for nonreimbursable costs of relocating roads to current standards in excess of costs for replacement to existing conditions. Annual operation, maintenance, and replacement costs of the project are estimated to be \$174,200.

The total benefits to be derived from the project are estimated to be \$2,825,300 annually (irrigation, \$1,982,700; municipal and industrial water supply, \$420,700; recreation, \$324,200; fish and wildlife, \$80,700; and flood control, \$17,000). An economic evaluation of this proposed development for a 100-year period of analysis, using an interest rate of 3⅓ percent, indicates that the estimated total annual benefits of the project would exceed the average annual equivalent cost in the ratio of 1.89 to 1. The ratio of direct benefits to cost is evaluated to be about 1.17 to 1.

Of the total project construction cost, \$26,881,000 are allocated to irrigation, \$4,620,000 to municipal and industrial water supply, \$3,840,900 to recreation, \$1,260,600 to fish and wildlife enhancement, and \$228,500 to flood control. These allocations exclude project costs of \$336,000 nonreimbursable investigation

¹ [Extract from House Report No. 1312, 90th Congress, Apr. 24, 1968, Part XI.]—Total estimated cost at 1967 price levels is \$42,310,000 of which \$36,554,000 is reimbursable and allocated as follows: \$30,380,000, irrigation; \$5,377,000, municipal and industrial water; and \$797,000 to recreation and fish and wildlife. Nonreimbursable costs of \$4,838,000 are allocated \$4,609,000 to recreation and fish and wildlife, and \$229,000 to flood control. Costs not allocated total \$918,000 and include \$336,000 investigations costs financed from Colorado River Development Fund and \$582,000 excess costs of road relocation.

costs funded from the Colorado River Development Fund and \$520,000 of incremental costs to construct relocated highways to current standards which are nonreimbursable by law.

Irrigation water users would pay their annual operation, maintenance, and replacement costs, which are estimated to be \$72,100. The construction costs allocated to irrigation (\$26,881,000) would be interest free and would be repaid in 50 years following development periods of 10 years for full service and 3 years for supplemental service lands from the following sources: water users, \$3,195,000; ad valorem taxes, \$2,496,000; and apportioned revenues from the Colorado River storage project, \$21,190,000.

* * *

The proposed plan of development, as presented herein, is engineeringly feasible and economically justified. I therefore concur in and adopt the recommendations of the regional director, as set forth on page 4 of his report.

I recommend that you approve and adopt this report as your proposed report on the Dallas Creek project, Colorado, and that you authorize me on your behalf to transmit copies to the States of the Colorado River Basin, to the Secretary of the Army, and to the other interested Federal agencies for review as required by the act of December 22, 1944 (58 Stat. 887), the Fish and Wildlife Coordination Act (48 Stat. 401, as amended; 16 U.S.C. 661, et seq.), procedures approved by the President on May 15, 1962 (S. Doc. 97, 87th Congress), and Executive Order 11258 dated November 17, 1965, and to the Upper Colorado River Commission.

Respectfully,

FLOYD E. DOMINY,
Commissioner.

Approved and adopted March 10, 1966.

KENNETH HOLUM,
Assistant Secretary of the Interior.

DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., April 6, 1966.

The SECRETARY OF THE INTERIOR.

SIR: This is my report on the Dallas Creek project, Colorado. It is based on and includes our proposed report of March 10, 1966, which was approved and adopted on that date as your proposed report.

Copies of the proposed report were transmitted on March 11, 1966, to the affected States and to the Secretary of the Army for review as required by law. In accordance with the Fish and Wildlife Coordination Act, the report was also sent to the State of Colorado for comments from the head of the agency exercising

administration over the wildlife resources of that State. In addition, copies were sent to the interested Federal agencies in accordance with procedures approved by the President on May 15, 1962. Copies of the comments¹ received are attached to and made part of this report.

The State of Colorado recommends that the Dallas Creek project be authorized and constructed at the earliest possible date. Colorado points out that the project has long occupied a position of high priority in the water resource planning of the State and that the project will fulfill an urgent and long-existing need. The Colorado Department of Game, Fish, and Parks concurs in the findings and recommendations made by the Bureau of Sport Fisheries and Wildlife.

The State of Utah has no objection to the project but recommends that, before construction is initiated, a detailed report be completed demonstrating that this and other proposed Colorado projects can be operated within Colorado's entitlement to Colorado River water. The State of Wyoming expresses concern over the authorization now of projects whose water supply might be affected by a future determination of responsibility for the burden of delivering water to Mexico under the Water Treaty of 1944. It indicates that all three of the Colorado projects which are covered by its comments, including the San Miguel, West Divide, and Dallas Creek projects, appear to fall into the category of depending on water which might be required for delivery of water to Mexico. The State recommends that the extent of the Mexican treaty burden on all parties concerned should be defined before authorizing any projects which could involve the use of water that might, in the future, be required in fulfillment of the Mexican treaty burden.

In respect to the comments of Utah and Wyoming covering the adequacy of Colorado's share of Colorado River water to serve future developments, it is our determination that there is sufficient uncommitted water remaining within Colorado's share of compacted water to meet contemplated new uses even in the event it is determined that the upper basin is obligated to share in the Mexican treaty burden. The figures quoted by Governor Hansen from Mr. Ival Goslin's letter of March 11, 1966, do not, as Mr Goslin indicated in his letter, allow for "salvage" of water by use. We believe that allowance for this factor is appropriate and that modification of the quoted figures in recognition thereof would demonstrate that the water supply for projects currently being recommended for authorization in Colorado would not be endangered by a future determination that the upper basin must share in meeting the Mexican treaty obligation. We point out, however, that the margin of safety would be thin and would not permit any significant future water uses in Colorado other than those now anticipated. Before construction is initiated we would, as a matter of normal procedure, re-

¹ Excluded from this publication.

view our current determination of adequacy of water supply in light of conditions that exist at that time.

The State of Nevada has no objection to the authorization and construction of the project. It appears to the State that the rates for municipal and industrial water supply could be increased to assist in repayment of project costs and thus reduce the burden placed upon power revenues from the Colorado River storage project. During our preconstruction studies of the project following its authorization, consideration will be given to the advisability of increasing the municipal and industrial water rates over those shown in the report. If an increase in these rates is found to be practicable and commensurate with the projected development of the municipal and industrial water use, the portion of the project costs repaid from project revenues could be increased and the requirement for apportioned revenues from the Colorado River storage project reduced accordingly.

The Chief of Engineers, Department of the Army, advises that review of the report indicates the proposed plan would not conflict with any Corps of Engineers project. He emphasizes that flood control benefits of the amount indicated in the report can only be realized by a plan of operation involving forecast of snowmelt runoff and seasonal evacuation of the reservoir to provide sufficient storage space for control of snowmelt flood. Such a plan of operation is contemplated in our report.

Pursuant to Executive Order 11258, the Department of Health, Education, and Welfare reports that there are no specific changes or other measures to be suggested with respect to the design, construction, or operation of the project. It also reports that as information and means of mitigating the adverse effects of irrigation return flows become available, that Department will be glad to work with us in instituting such changes as may be necessary to protect all present, proposed, and future legitimate uses, including existing irrigation developments.

The comments received from other States and Federal agencies either are favorable or offer no objection to the project. Suggested improvements or modifications of certain technical or related details of the proposed plan of development will be considered and can be accommodated as desirable or necessary during advance planning and preconstruction activities following authorization of construction. No revision of the report as a result of these reviews appears to be necessary.

Since approval and adoption of our proposed report, further review and coordination of the project plan within the Department indicated the desirability of considering further the recreation aspects of the project. The Bureau of Outdoor Recreation finds that the proposed recreation developments at the three project reservoirs would be consistent with the Colorado statewide comprehensive outdoor recreation plan, which plan that bureau found to be adequate for the purposes of subsection 5(d) of the Land and Water Conservation Fund Act of 1965 (Public Law 88-578, 78 Stat. 897). The Bureau recommends, however,

that consideration be given a plan to provide for optimum recreation development at the Ridgway Reservoir rather than development for only initial recreation use as has been included in the report. The total construction cost of such a plan of optimum development is estimated to be \$1,968,000, which includes \$766,000 for the proposed initial development. The optimum recreation development would increase the total project cost to \$38,889,000. The annual operation, maintenance, and replacement costs for the optimum recreation development are estimated to be \$111,564 as compared with \$61,600 for the initial development contemplated in the report. The Bureau of Outdoor Recreation estimates that the annual recreation benefits would be increased from \$270,000 to \$708,705. The inclusion of the optimum recreation plan for Ridgway Reservoir thus would result in an improved benefit-cost ratio for the project.

The recommended optimum recreation development will be studied in detail during the preconstruction studies following authorization of the project. The State of Colorado will be consulted in connection with the optimum development and be given an opportunity to agree to administer and share in the additional cost of the optimum plan under the provisions of the Federal Water Project Recreation Act. As provided by that act, the execution of such an agreement would be a prerequisite to the commencement of construction of the optimum recreation development.

Taking into account existing and committed water uses, construction of the Dallas Creek project, together with construction of other projects currently recommended for authorization, would result in committing to future use practically the entire remaining share of Colorado's assured consumptive use entitlement to waters of the Colorado River Basin. Thus, we believe that the timing of construction of such projects should be given the most careful consideration, both by the Federal Government and the State of Colorado.

I recommend that you approve and adopt this report as your report on the Dallas Creek project, Colorado, and that you transmit it, together with the attached documents, to the President and subsequently to the Congress, as provided by the Reclamation Project Act of 1939.

Respectfully,

FLOYD E. DOMINY,
Commissioner.

Approved and adopted April 6, 1966.

STEWART L. UDALL,
Secretary of the Interior.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., April 6, 1966.

The PRESIDENT,
The White House,
Washington, D.C.

Through the Bureau of the Budget.

DEAR MR. PRESIDENT: My report on a plan of development for the Dallas Creek project, Colorado, is transmitted herewith as provided by section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187) and section III-E-3 of the procedures approved by the President on May 15, 1962 (S. Doc. 97, 87th Cong.).

The Dallas Creek project is a potential multiple-purpose water resource development in Delta, Montrose, and Ouray Counties, Colo., which is proposed as a participating project of the Colorado River storage project. The report and its accompanying documents demonstrate that this proposed project has engineering feasibility and is economically justified.

In the project area there is an urgent need for additional and dependable irrigation water supplies to stabilize the economy of the farmers and related service industries. Municipal and industrial water supplies are also urgently needed to meet existing and imminently potential requirements. The State of Colorado and local interests have actively supported the project. The Tri-County Water Conservancy District was organized in 1957 to promote the project and to serve as the administrative and repayment contracting entity.

The proposed report on the project was transmitted to the affected States and interested Federal agencies for review on March 11, 1966, as required by law and Presidential instructions. Copies of the review comments received are attached to the report.

I recommend that the Dallas Creek project, Colorado, be authorized for construction as set forth in the report. I shall appreciate your advice concerning the relationship of the project to your program before I transmit the report to the Congress for its consideration and appropriate action, as provided in the Reclamation Project Act of 1939.

Sincerely yours,

STEWART L. UDALL,
Secretary of the Interior.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., May 3, 1966.

Hon. JOHN W. MCCORMACK,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: As provided by section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187), transmitted herewith is my report on the Dallas Creek project, Colorado.

The report presents a plan for a water resource development in west-central Colorado which is proposed as a participating project of the Colorado River storage project. The plan has engineering feasibility and is economically justified.

My proposed report on this project was transmitted on March 11, 1966, to the States of the Colorado River Basin, the Secretary of the Army, and the interested Federal agencies for review as required by law and the procedures approved by the President on May 15, 1962. Copies of the review comments received are attached to the report.

The report and copies of the comments received were submitted to the President on April 6, 1966. Enclosed¹ is a copy of a letter dated April 30, 1966, from the Deputy Director of the Bureau of the Budget which, in summary, states that the Bureau of the Budget would favor deferral of the Dallas Creek project pending the establishment of the National Water Commission and completion of its review of related water problems.

Sincerely yours,

STEWART L. UDALL,
Secretary of the Interior.

DOLORES PARTICIPATING PROJECT²

COLORADO

[House Document No. 412, 89th Congress]

DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., June 19, 1964.

The SECRETARY OF THE INTERIOR.

SIR: This is my proposed report on the Dolores project, Colorado. It is based on and includes the attached feasibility report³ of the Regional Director, dated November 6, 1963, and its appended reports of the Bureau of Sport Fisheries and Wildlife, National Park Service, Forest Service, Bureau of Mines, Bureau of Indian Affairs, Corps of Engineers, and Public Health Service. This is one of the potential participating projects that were given priority in respect to the completion of planning reports by the Colorado River Storage Project Act of April 11, 1956 (70 Stat. 105).

The Dolores project is a proposed multipurpose water resource development in southwestern Colorado, just east of the Utah-Colorado State line. The project would develop flows of the Dolores

¹ See page 250.

² See page 287 for authorizing act.

³ Excluded from this publication.

River for irrigation, municipal and industrial use, flood control, water quality control, recreation, and fish and wildlife conservation. It would bring substantial employment benefits to Indians of the Southern Ute, Ute Mountain, and Navajo Reservations, which have been designated as redevelopment areas under the Area Redevelopment Act of 1961. Development of hydroelectric power is not included as a project purpose as none of the possibilities to develop it was found to be economically justifiable.

A dependable water supply is the most urgent need of the project area. It is essential to expansion of the irrigated area, to stabilization of agriculture on the presently irrigated area, and to the continuing development of other resources. The land now irrigated is in need of supplemental water in the late growing season, and good quality lands without irrigation are being dry farmed and producing only a part of their potential. Expansion of the municipal water supply system of the cities of Cortez and Dove Creek is urgently needed. Communities in the project area, particularly Dove Creek and Cortez, anticipate a need for additional water for future growth. Dove Creek's present supply is excessively costly, and without the Dolores project, Cortez would find it necessary to acquire rights to water now used for irrigation, which would be expensive and would take valuable land out of production.

State and local interests have actively supported development of the project. In 1956 local farmers and businessmen from Dove Creek, Cortez, Mancos, and Dolores formed the Dolores River Project Association to stimulate interest in the project. They were also active in establishing the Dolores Water Conservancy District in 1961 to serve as the project administrative and contracting agency. The Southwestern Colorado Water Conservation District, an agency formed to promote water resources development in southwestern Colorado, has worked in support of the project, and the State of Colorado provided personnel to aid in the completion of the project studies. Formal expressions of support for the project have been made by the directors of the Montezuma Valley Irrigation Co., the Dolores Water Conservancy District, and cities of Dove Creek and Cortez. The Bureau of Indian Affairs made contributions toward project investigations.

Under the proposed plan of development, irrigation water supplies would be increased by an average of 120,800 acre-feet annually for use on 61,000 acres of non-Indian and Indian land. The area served would include 30,840 acres of full service land in the Dove Creek area, 28,660 acres of supplemental service land in the Montezuma Valley area, and 1,500 acres of full service Indian land in the Towaoc area. The 28,660 acres to receive project water in the Montezuma Valley area are all considered supplemental service lands, since all of the lands have rights to irrigation water, although some are not now irrigated. An additional 11,340 acres of irrigated nonproject land in the Montezuma Valley area would continue to receive existing water supplies but would not receive project water. Municipal and industrial sup-

plies averaging 6,100 acre-feet annually, including 1,200 acre-feet for Dove Creek and 4,900 acre-feet for Cortez in the Montezuma Valley area, would be provided by the project. The supplies would provide for future growth in both cities and would completely replace the existing costly pumped supply of Dove Creek.

Construction of the 268-foot-high earth and rockfill McPhee Dam and the additionally required Great Cut dike, an earth structure 62 feet high and 1,900 feet long, would create a 364,000-acre-foot storage reservoir on the Dolores River below the town of Dolores. The McPhee Reservoir would be the principal storage facility for the project. Supplementary storage would be provided at three small terminal reservoirs in the Dove Creek area; namely, Ruin Canyon, Cahone, and Monument Creek. Dove Creek Canal, extending 67.9 miles from the Great Cut dike of McPhee Reservoir to Monument Creek Reservoir, would convey water to the Great Cut Canal for use in the presently irrigated Montezuma Irrigation Co. area and for the Towaoc area of the Ute Mountain Indian Reservation and to the Dove Creek area, where the Dove Creek Canal and South Canal, its major branch, would deliver water to project lands and to the terminal reservoirs. Hovenweep and Cahone Canals and laterals would provide further distribution to project lands. Drains would be constructed as needed in the Dove Creek and Towaoc areas but would not be provided in the Montezuma Valley area. Municipal water supplies for the city of Cortez would be transported through project and existing facilities to the intake of the city's supply line. Municipal water supplies would be obtained by the town of Dove Creek directly from the Monument Creek Reservoir.

* * *

The total construction cost of the proposed Dolores project is estimated at \$46,643,000 on the basis of January 1962 prices. This includes \$913,000 expended for investigations prior to authorization, of which \$474,600 are nonreimbursable funds obtained from the Colorado River development fund, \$405,200 were obtained from the Reclamation fund, and \$32,700 were contributed by the Bureau of Indian Affairs. Also included is \$593,000, which is the estimated cost for the recreation development outside of National Forest boundaries, and \$100,000 for the mitigation of big-game losses. The total construction cost does not include \$761,000 for new recreation facilities at McPhee Reservoir within the San Juan National Forest, which are expected to be financed by the Forest Service through its own appropriations.

Annual operation, maintenance, and replacement costs of the Dolores project are estimated at \$175,900, including \$39,200 for specific recreation facilities recommended by the National Park Service at the project terminal reservoirs and at McPhee Reservoir outside of the San Juan National Forest boundaries. Approximately \$34,800 would be required from Forest Service appropriations for operation and maintenance costs of recreation facilities within the Forest boundaries. Also, the Montezuma Valley Irrigation Co. estimates that handling of project water on lands it

serves would increase its annual operation and maintenance costs by \$6,900 annually.

An economic evaluation of this proposed development for a 100-year period of analysis, using an interest rate of 3 percent, indicates that the estimated total annual benefits for the project would exceed the average annual equivalent cost in the ratio of 2.03 to 1.

Of the total project construction cost, exclusive of \$474,600 nonreimbursable funds expended from the Colorado River Development Fund and \$32,700 contributed by the Bureau of Indian Affairs, \$38,183,400 are tentatively allocated to irrigation and \$1,992,500 to municipal and industrial water supply as reimbursable costs. In addition, costs of \$184,200 allocated to water quality are reimbursable. The construction cost tentatively allocated to fish and wildlife is \$1,577,800 and the cost tentatively allocated to recreation is \$3,434,800. An amount of \$473,600 has been tentatively allocated to flood control, and \$289,400 has been tentatively allocated to area redevelopment.

Project costs allocated to fish and wildlife enhancement, recreation, flood control, and area redevelopment would be nonreimbursable. Operation, maintenance, and replacement costs of specific recreation facilities are expected to be paid by the operating agencies. Operation and maintenance costs of joint facilities allocated to fish and wildlife, recreation, area redevelopment, and flood control would be nonreimbursable.

* * *

The proposed plan of development, as presented herein, is engineeringly feasible and economically justified. I therefore concur in and adopt the recommendations of the regional director, as set forth on page 79 of his report.

I recommend that you approve and adopt this report as your proposed report on the Dolores project, Colorado, and that you authorize me on your behalf to transmit copies to the States of the Colorado River Basin, to the Secretary of the Army, and to the other interested Federal agencies for review, as required by the act of December 22, 1944 (58 Stat. 887), the Fish and Wildlife Coordination Act (48 Stat. 401, as amended; 16 U.S.C. 661, et seq.), and procedures approved by the President on May 15, 1962 (S. Doc. 97, 87th Cong.), and to the Upper Colorado River Commission.

Respectfully,

FLOYD E. DOMINY,
Commissioner.

Approved and adopted October 2, 1964.

STEWART L. UDALL,
Secretary of the Interior.

DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., September 8, 1965.

The SECRETARY OF THE INTERIOR.

SIR: This is my report on the Dolores project, Colorado. It is based on and includes our proposed report of June 19, 1964, which you approved and adopted on October 2, 1964, as your proposed report.

Copies of the proposed report were transmitted on October 6, 1964, to the affected States and to the Secretary of the Army for review as required by law. In accordance with the Fish and Wildlife Coordination Act, the report was also sent to the State of Colorado for comments from the head of the agency exercising administration over the wildlife resources of that State. In addition, copies were sent to the interested Federal agencies in accordance with procedures approved by the President on May 15, 1962. Copies of the comments¹ received are attached to and made part of this report.

The State of Colorado fully concurs with the findings and recommendations contained in our proposed report with the exception of our estimated stream depletion, pointing out, however, that a more certain figure can be obtained only after the project is placed in operation. Additional studies and indicated adjustments in the estimated depletions will be made during advance planning of the project following authorization of construction. Colorado considers the Dolores project to be one of the best reclamation projects which has heretofore or which hereafter may be constructed in the State and urges that we submit a favorable report on the project to the Congress at the earliest possible date. The Colorado Game and Fish Department reviewed and approves the report of the Bureau of Sport Fisheries and Wildlife.

The State of Utah recommends that the report be transmitted to the Congress and urges its favorable consideration by the Congress. Although the State recommends review of the possibility of providing service to Utah lands in the vicinity, it supports the project as presently planned. The possibility of developing the Utah lands will be considered in a study of the water resources potential of the San Juan County area.

The Acting Chief of Engineers, Department of the Army, advises that there would be no conflict between the proposed plan and any Corps of Engineers project. He also commented that flood-control benefits of the amount used in the report can only be realized by a plan of operation involving the forecast of snowmelt floods and emptying of the reservoir in anticipation of such floods. This situation is recognized in our proposed report. In addition, it is pointed out in the report that operation of the reservoir for flood control would be in accordance with regulations prescribed by the Secretary of the Army.

The Department of Health, Education, and Welfare suggests that further study will be needed to determine the extent and the

¹ Excluded from this publication.

impact of increased mineralization in the Dolores and San Juan Rivers. As is customary, this would be done during the advance planning activities.

The Department of Commerce transmitted comments of the Coast and Geodetic Survey and the Bureau of Public Roads concerning requirements for a nautical chart for McPhee Reservoir and clarification of the cost of road relocations. We believe sufficient reservoir survey data will be available to prepare a nautical chart if required. If not, our Regional Director will give the Survey advance notice of charting requirements in order that cost estimates may be submitted. The clarification of road costs requested by the Bureau of Public Roads was presented in our response of November 25, 1964, which is attached with the letter of October 30, 1964, from the Department of Commerce.

The Assistant Secretary of Agriculture recommends that language be included in the authorizing legislation to transfer jurisdiction over lands acquired within or adjacent to the San Juan National Forest to the Secretary of Agriculture for administration of recreation and other resources. This is in accordance with our project plan.

The comments received from other States and Federal agencies either are favorable or offer no objection to the project. No revision of the report as a result of these reviews appears to be necessary.

As indicated in our proposed report, the Ute Mountain Tribal Council was given opportunity to consider the report in making a final decision for inclusion of some 1,500 acres of irrigable land within the Indian reservation which were proposed for development in the project plan. By Resolution No. 1468 adopted on July 21, 1965, the council advised, among other things, that the Ute Mountain Tribe will participate in the project. In respect to the matters in the resolution involving development of the land and water resources to meet the tribe's needs, they will be considered carefully during the advance planning activities on the project. A copy of the tribe's resolution¹ is enclosed and made part of this report.

Since your approval and adoption of our proposed report on October 2, 1964, which report modified slightly the allocation of costs and resultant repayment figures shown in the Regional Director's report of November 1963, (1) a decision has been made not to allocate costs to the area redevelopment benefited by the project, (2) the interest rate for project formulation has changed from 3 percent to 3½ percent, and (3) the Congress enacted Public Law 89-72, the Federal Water Project Recreation Act. The proposed plan of development for the Dolores project has been reevaluated to reflect these actions. The resulting changes and their effect on the cost allocation and reimbursement requirements of the project as presented in the Regional Director's report of November 1963 and our proposed report of June 19, 1964, are shown in the attached summary¹ which is made a part of

¹ Excluded from this publication.

this report. Our proposed report is hereby modified to reflect these changes in project evaluation.

The effect of these changes on our proposed report is not significant so far as economic justification of the project and the repayment of the reimbursable costs are concerned. The benefit-cost ratio of the project has decreased from 2.03:1 to 1.96:1 using total benefits over a 100-year period of analysis. The estimated total project cost remains at \$46,643,000¹ including \$507,300 of nonreimbursable investigation costs. The nonreimbursable construction costs have decreased from \$5,775,600 to \$4,798,700, and correspondingly, the reimbursable construction costs have increased from \$40,360,100 to \$41,337,000.

The minor changes in repayment aspects of the project are due partly to the new cost-sharing policies set forth in the Federal Water Project Recreation Act of July 9, 1965. The amount expected to be repaid by the non-Indian irrigation water users would decrease from \$6,535,000 to \$6,500,000, the repayment assistance required from the Upper Colorado River Basin fund would increase from \$29,923,800 to \$30,353,400. Reimbursable recreation and fish and wildlife enhancement costs of \$582,300 would be repaid with interest by non-Federal public bodies, whereas previously such costs were considered nonreimbursable.

We are exploring with the State and local interests the requirement to obtain prior to authorization of the project an indication in writing from some non-Federal public body of its intent to administer the project land and water areas for recreation and fish and wildlife enhancement purposes and to bear the reimbursable portion of the allocated capital cost and all of the allocated operation, maintenance, and replacement costs of separable facilities for those functions. Execution of such an agreement is a prerequisite to commencement of construction of the recreation and fish and wildlife enhancement facilities.

* * *

I recommend that you approve and adopt this report as your report on the Dolores project, Colorado, and that you transmit it, together with the attached documents, to the President and subsequently to the Congress, as provided by the Reclamation Project Act of 1939.

Respectfully,

N. B. BENNETT, Jr.,
Acting Commissioner.

Approved and adopted September 22, 1965.

STEWART L. UDALL,
Secretary of the Interior.

¹ [Extract from House Report 1312, 90th Congress, Apr. 24, 1968, Part XI.]—Total estimated cost at 1967 price levels is \$53,850,000, of which \$48,526,800 is reimbursable and allocated as follows: irrigation, \$45,259,800; municipal and industrial water, \$2,393,500; water quality, \$183,300; recreation and fish and wildlife, \$690,200. Nonreimbursable costs of \$4,815,900 are allocated to recreation and fish and wildlife, \$4,357,800; and flood control, \$458,100. \$507,300 costs not allocated included \$474,600 investigations costs financed from Colorado River Development Fund, and \$32,700 contributed funds.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., September 22, 1965.

The PRESIDENT,
The White House,
Washington, D.C.

(Through the Bureau of the Budget).

DEAR MR. PRESIDENT: My report on a plan of development for the Dolores project, Colorado, is transmitted herewith as provided by section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187) and section III-E-3 of the procedures approved by the President on May 15, 1962 (S. Doc. 97, 87th Cong.).

The Dolores project is a multiple-purpose water resource development in southwestern Colorado, just east of the Colorado-Utah State line, proposed as a participating project of the Colorado River storage project. The report and its accompanying documents demonstrate that this proposed project has engineering feasibility and is economically justified.

A dependable water supply is the most urgent need of the project area. It is essential to expansion of the irrigated area, to stabilization of agriculture on the presently irrigated area, and to the continuing development of other resources. Expansion of the municipal water supply system of the cities of Cortez and Dove Creek is urgently needed. The State of Colorado, the cities of Dove Creek and Cortez, and local interests have all actively supported development of the project. The existing Dolores Water Conservancy District is expected to serve as the administrative and repayment contracting entity.

My proposed report was transmitted to the affected States and interested Federal agencies for review on October 6, 1964, as required by law and Presidential instructions. Copies of the review comments received are attached to the report. There are no objections to the proposal.

I recommend that the plan of development for the Dolores project be authorized as set forth in the report. I shall appreciate your advice concerning the relationship of the project to your program before I transmit the report to the Congress for its consideration and appropriate action, as provided in the Reclamation Project Act of 1939.

Sincerely yours,

STEWART L. UDALL,
Secretary of the Interior.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., March 4, 1966.

Hon. STEWART L. UDALL,
Secretary of the Interior,
Washington, D.C.

DEAR MR. SECRETARY: This is in reply to your letter of September 22, 1965, transmitting your report on the Dolores project,

Colorado, and requesting advice regarding the relationship of the project to the President's program.

We note that the charge for municipal and industrial water from the project is considerably less than current water charges in the area. In view of the low repayment by irrigation water users, and since there is precedent in recent Bureau of Reclamation project proposals to provide for a repayment allocation for municipal and industrial water greater than cost allocation, we believe consideration should be given to raising the municipal and industrial water charges. This would provide both a more equitable situation between the municipal and industrial and the irrigation water users, and a greater direct repayment to the project.

The Bureau of the Budget is unaware of an expression of intent from a non-Federal public body to bear operation and maintenance costs and half of all separable costs for the allocation for recreation and fish and wildlife enhancement in accord with Public Law 89-72. Such a letter of intent should be received before the Dolores project is submitted to Congress.

Subject to your consideration of the above comments, you are advised that there would be no objection to the submission of the report to the Congress after a letter of intent concerning the allocation of costs for operation and maintenance and wildlife enhancement has been received. However, no commitment can be made at this time as to when any estimate of appropriation would be submitted for construction of the Dolores project, if authorized by the Congress, since this would be governed by the President's budgetary objectives as determined by the then prevailing fiscal situation.

Sincerely,

ELMER B. STAATS,
Deputy Director.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., March 15, 1966.

Hon. JOHN W. McCORMACK,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: As provided by section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187), transmitted herewith is my report on the Dolores project, Colorado.

The report presents a plan for a water resource development in southwestern Colorado, which is proposed as a participating project of the Colorado River storage project. The plan has engineering feasibility and is economically justified.

My proposed report on this project was transmitted on October 6, 1964, to the States of the Colorado River Basin, the Secretary of the Army, and the interested Federal agencies for review as

required by law and the procedures approved by the President on May 15, 1962. Copies of the review comments received are attached to the report.

The report and copies of the comments received were submitted to the President on September 22, 1965. Enclosed is a copy of a letter dated March 4, 1966, from the Deputy Director of the Bureau of the Budget in which it is suggested that consideration be given to raising the municipal and industrial water charges for the project and that an expression of intent as required by the Federal Water Project Recreation Act (Public Law 89-72) be received before the report is submitted to the Congress. The Deputy Director advises that subject to our consideration of those comments, there would be no objection to the submission of the report to the Congress after the expression of intent has been received.

Enclosed¹ is a copy of a letter dated February 21, 1966, from the Governor of Colorado expressing the State's intention to share in the costs of recreation and fish and wildlife enhancement as required by the Federal Water Project Recreation Act and as contemplated in my report. Consideration will be given to the raising of municipal and industrial water charges during the detailed preconstruction studies following authorization of the project.

I recommend that construction of the Dolores project, Colorado, be authorized.

Sincerely yours,

STEWART L. UDALL,
Secretary of the Interior.

SAN MIGUEL PARTICIPATING PROJECT²

COLORADO

[House Document No. 435, 89th Congress.]

DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., March 10, 1966.

THE SECRETARY OF THE INTERIOR.

SIR: This is my proposed report on the San Miguel Project, Colorado. It is based on and includes the attached¹ feasibility report of the regional director dated February 28, 1966, and its appended reports of the Corps of Engineers, Public Health Service, and Bureau of Mines. Field data also were supplied by the Bureau of Sport Fisheries and Wildlife and the National Park Service

¹ Excluded from this publication.

² See page 287 for authorizing act.

for use in preparing the feasibility report. This project is one of the potential participating projects that were given priority in respect to the completion of planning reports by the Colorado River Storage Project Act of April 11, 1956 (70 Stat. 105).

The San Miguel project is a proposed multipurpose water resource development in Montrose and San Miguel Counties in southwestern Colorado. The project would develop the flows of the San Miguel River for irrigation, municipal, and industrial uses. It would also provide flood control, recreation, and fish and wildlife enhancement benefits. Development of hydroelectric power as a project purpose was not found to be feasible.

* * *

State and local interests are actively supporting the project and have contributed about \$27,000 for feasibility investigations. In 1957, local farmers, ranchers, and businessmen formed the San Miguel Water Conservancy District to stimulate interest in the project and also to serve as the project administrative and contracting organization. The Southwestern Colorado Water Conservation District, an agency formed to promote water resources development in southwestern Colorado, has worked in support of the project. The State of Colorado also has placed completion of the San Miguel project feasibility investigations high on its list of sponsored activities.

Under the proposed plan of development, irrigation water supplies would be increased by an average of 77,800 acre-feet annually for the supplemental service of 12,530 acres of presently irrigated land now having inadequate supplies, and for the full service of 26,420 acres of land not now irrigated. The project would also develop an average of 44,000 acre-feet annually of municipal and industrial water supply to provide for the present and anticipated future needs of the project area, and 500 acre-feet of water for fish and wildlife use exclusively.

The extensive mineral and forest resources of the San Miguel River Basin provide a potential for industrial and attendant municipal development that justify inclusion of a substantial municipal and industrial water supply in the project plan. Present potentials under consideration include 15,000 acre-feet of additional water for the expansion of the coal-fired steam powerplant of the Colorado-Ute Electric Association near Nucla and about 15,000 acre-feet of water for potential potash mining in Gypsum Valley, adjacent to the proposed project, where active exploration work is under way.

The quantity and time of occurrence of these requirements cannot be definitely predicted and may even be significantly affected by the authorization of the San Miguel project itself. We have anticipated a need and provided for 20,000 acre-feet annually of municipal and industrial water by 1980 and an additional 24,000 acre-feet by 1990 in the project plan presented herein. An orderly postauthorization development program would require about 6 years before initial delivery of water. This interval would permit the appropriate revision of the project plan to reflect future in-

dustrial requirements on a firmer basis. Modifications could be made to provide additional water for municipal and industrial use within the total project costs. Any such modification would increase the benefits and repayment capacity of the project. The relative potential for irrigation development also would be continually evaluated in light of changes in the area's economy.

The project plan provides for the regulation of the San Miguel River at the proposed 72,600 acre-foot Saltado Reservoir to be formed by the 278-foot-high, earthfill Saltado Dam. Water for existing rights, part of the project municipal and industrial water supply, and flows for the maintenance of fisheries would be released to the river. The remaining project water would be diverted to the proposed 22-mile Norwood Canal by which it would be conveyed to a system of canals and laterals and distributed for irrigation and municipal and industrial use and for use at the proposed Radium fish and wildlife area.

The 9,200-acre-foot Naturita Reservoir and the 25,600-acre-foot Radium Reservoir would be constructed in the project land area to stabilize the diverted flows. Existing reservoirs and distribution systems of private irrigation companies would be integrated in the project irrigation system and exchanges effected between project and existing water supplies to obtain optimum use of available water supplies.

Municipal and industrial water supplies would be made available in the San Miguel River and in the Naturita and Radium Reservoirs. Recreation facilities would be provided at the project reservoirs. The Saltado Reservoir would be operated for flood control on the basis of runoff forecasts. Measures for the conservation and development of the fish and wildlife resources would include maintenance of minimum flows and channel improvements in the river below the Saltado Reservoir, provision for interconnecting the two segments of Radium Reservoir with control of water elevations in the east segment of the reservoir, a 200-acre irrigated waterfowl preserve adjacent to Radium Reservoir, and sport fisheries at each of the three project reservoirs.

In much of the project area, farms would require more than 160 acres in a single ownership to provide an adequate level of living for the farm family and reasonable payments on project costs. In order for adequately sized farms to be served, the project authorizing legislation should provide for water delivery to 160 acres of class 1 land or the equivalent, as determined by the Secretary, in lower quality lands.

* * *

The total construction cost of the proposed San Miguel project is estimated to be \$67,815,000 based on July 1965 prices.¹ This includes \$998,000 of preauthorization investigation costs, of which \$27,000 were contributed funds and \$357,000 were financed

¹ [Extract from House Report 1312, 90th Congress, Apr. 24, 1968, Part XI.]—Total estimated cost at June 30, 1967, price levels is \$73,140,000, of which \$68,400,000 is reimbursable and allocated as follows: \$56,000,000, irrigation; \$11,851,000, municipal and industrial water; and recreation and fish and wildlife, \$549,000. Nonreimbursable costs of \$4,740,000 are allocated \$3,612,000 to recreation and fish and wildlife and \$1,128,000 to flood control.

from the Colorado River development fund and are not reimbursable by the project. Annual operation, maintenance, and replacement costs of the project are estimated to be \$185,000.

The estimated total benefits for the project are \$4,039,500 (irrigation, \$2,954,500; municipal and industrial water supply, \$790,000; fish and wildlife, \$193,000; recreation, \$40,000; and flood control, \$62,000). An economic evaluation of this proposed development for a 100-year period of analysis, using an interest rate of $3\frac{1}{8}$ percent, indicates that the estimated total annual benefits of the project would exceed the average annual equivalent cost in the ratio of 1.52 to 1. The ratio of direct benefits to costs is evaluated to be 0.89 to 1.

Of the total project construction cost, \$51,020,000 are allocated to irrigation, \$11,415,000 to municipal and industrial water, \$4,198,000 to recreation and fish and wildlife enhancement, and \$1,182,000 to flood control.

The proposed plan of development, as presented herein, is engineeringly feasible and economically justified. I therefore concur in and adopt the recommendations of the regional director, as set forth on page XXXVIII of his report.

I recommend that you approve and adopt this report as your proposed report on the San Miguel project, Colorado, and that you authorize me on your behalf to transmit copies to the States of the Colorado River Basin, to the Secretary of the Army, and to the other interested Federal agencies for review as required by the act of December 22, 1944 (58 Stat. 887), the Fish and Wildlife Coordination Act (48 Stat. 401, as amended; 16 U.S.C. 661, et seq.), procedures approved by the President on May 15, 1962 (S. Doc 97, 87th Cong.), and Executive Order 11258 dated November 17, 1965, and to the Upper Colorado River Commission.

Respectfully,

FLOYD E. DOMINY,
Commissioner.

Approved and adopted March 10, 1966.

KENNETH HOLUM,
Assistant Secretary of the Interior.

DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., April 6, 1966.

The SECRETARY OF THE INTERIOR.

SIR: This is my report on the San Miguel project, Colorado. It is based on and includes our proposed report of March 10, 1966, which was approved and adopted on that date as your proposed report.

Copies of the proposed report were transmitted on March 11, 1966, to the affected States and to the Secretary of the Army for review as required by law. In accordance with the Fish and Wild-

life Coordination Act, the report was also sent to the State of Colorado for comments from the head of the agency exercising administration over the wildlife resources of that State. In addition, copies were sent to the interested Federal agencies in accordance with procedures approved by the President on May 15, 1962. Copies of the comments received are attached¹ to and made part of this report.

The State of Colorado concurs with the proposed report and states that it will fully support the earliest possible authorization and subsequent construction of the project. Colorado points out that no previous Federal reclamation development has taken place in the San Miguel Basin and that the economy of the area desperately needs the stability which could be provided by the assurance of adequate water supplies, and the area also requires water to develop its municipal and industrial potential. The Colorado Department of Game, Fish, and Parks has reviewed and concurs in the findings and recommendations made by the Bureau of Sport Fisheries and Wildlife.

The State of Utah has no objection to the project but recommends that, before construction is initiated, a detailed report be completed demonstrating that this and other proposed Colorado projects can be operated within Colorado's entitlement to Colorado River water. The State of Wyoming expresses concern over the authorization now of projects whose water supply might be affected by a future determination of responsibility for the burden of delivering water to Mexico under the water treaty of 1944. It indicates that all three of the Colorado projects which are covered by its comments, including the San Miguel, West Divide, and Dallas Creek projects, appear to fall into the category of depending on water which might be required for delivery of water to Mexico. The State recommends that the extent of the Mexican Treaty burden on all parties concerned should be defined before authorizing any projects which could involve the use of water that might, in the future, be required in fulfillment of the Mexican Treaty burden.

In respect to the comments of Utah and Wyoming covering the adequacy of Colorado's share of Colorado River water to serve future developments it is our determination that there is sufficient uncommitted water remaining within Colorado's share of compacted water to meet contemplated new uses even in the event it is determined that the upper basin is obligated to share in the Mexican Treaty burden. The figures quoted by Governor Hansen from Mr. Ival Goslin's letter of March 11, 1966, do not, as Mr. Goslin indicated in his letter, allow for "salvage" of water by use. We believe that allowance for this factor is appropriate and that modification of the quoted figures in recognition thereof would demonstrate that the water supply for projects currently being recommended for authorization in Colorado would not be endangered by a future determination that the upper basin must share in meeting the Mexican Treaty obligation. We point out, however,

¹ Excluded from this publication.

that the margin of safety would be thin and would not permit any significant future water uses in Colorado other than those now anticipated. Before construction is initiated we would, as a matter of normal procedure, review our current determination of adequacy of water supply in light of conditions that exist at that time.

The State of Nevada has no objection to the authorization and construction of the project. It appears to the State that the rates for municipal and industrial water supply could be increased to assist in repayment of project costs and thus reduce the burden placed upon power revenues from the Colorado River storage project. During our preconstruction studies of the project following its authorization, consideration will be given to the advisability of increasing the municipal and industrial water rates over those shown in the report. If an increase in these rates is found to be practicable and commensurate with the projected development of the municipal and industrial water use, the portion of the project costs repaid from project revenues could be increased and the requirement for apportioned revenues from the Colorado River storage project reduced accordingly.

The Chief of Engineers, Department of the Army, advises that review of the report indicates the proposed plan would not conflict with any Corps of Engineers project. He emphasizes that flood control benefits of the amount indicated in the report can only be realized by a plan of operation involving forecast of snowmelt runoff and seasonal evacuation of the reservoir to provide sufficient storage space for control of snowmelt floods. Such a plan of operation is contemplated in our report.

Pursuant to Executive Order 11258, the Department of Health, Education, and Welfare reports that there are no specific changes or other measures to be suggested with respect to the design, construction, or operation of the project. It also reports that as information and means of mitigating the adverse effects of irrigation return flows become available, that Department will be glad to work with us in instituting such changes as may be necessary to protect all present, proposed, and future legitimate uses, including existing irrigation developments.

The comments received from other States and Federal agencies either are favorable or offer no objection to the project. Suggested improvements or modifications of certain technical or related details of the proposed plan of development will be considered and can be accommodated as desirable or necessary during advance planning and preconstruction activities following authorization of construction. No revision of the report as a result of these reviews appears to be necessary.

Since approval and adoption of our proposed report, however, further review and coordination of the project plan within the Department has indicated the desirability of considering further the recreation and fish and wildlife aspects of the project. The Bureau of Land Management advises that the Federal lands in the vicinity of the proposed project reservoirs have been desig-

nated as suitable for Federal retention and management. That Bureau, with the concurrence of the Bureau of Outdoor Recreation, recommends that it operate and maintain the recreation facilities of the project. It is our understanding that the State of Colorado is favorable to this recommendation. The State proposes, however, to administer and share in the costs of the waterfowl management area lands and facilities planned for development at Radium Reservoir. The Bureau of Sport Fisheries and Wildlife advises us that the State's proposal meets with that Bureau's approval. In view thereof, we will make the required revisions in the project plan to accommodate these desired management changes during the preconstruction studies and preparation of our definite plan report following authorization of the project.

The Bureau of Outdoor Recreation finds that the proposed recreation developments would be consistent with the Colorado statewide comprehensive outdoor recreation plan, which plan was found by that Bureau to be adequate for the purposes of subsection 5(d) of the Land and Water Conservation Fund Act of 1965 (Public Law 88-578, 78 Stat. 897).

Taking into account existing and committed water uses, construction of the San Miguel project, together with construction of other projects currently recommended for authorization, would result in committing to future use practically the entire remaining share of Colorado's assured consumptive use entitlement to waters of the Colorado River Basin. Thus, we believe that the timing of construction of such projects should be given the most careful consideration, both by the Federal Government and the State of Colorado. Because the ratio of direct benefits to costs for the San Miguel project is less than unity, although the ratio of total benefits to costs is 1.52 to 1.0, this is particularly important consideration in this instance.

I recommend that you approve and adopt this report as your report of the San Miguel project, Colorado, and that you transmit it, together with the attached documents, to the President and subsequently to the Congress, as provided by the Reclamation Project Act of 1939.

Respectfully,

FLOYD E. DOMINY,
Commissioner.

Approved and adopted April 6, 1966.

STEWART L. UDALL,
Secretary of the Interior.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., April 6, 1966.

The PRESIDENT,
The White House,
Washington, D.C.
(Through the Bureau of the Budget).

DEAR MR. PRESIDENT: My report on a plan of development for

the San Miguel project, Colorado, is transmitted herewith as provided by section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187) and section III(E)(3) of the procedures approved by the President on May 15, 1962 (S. Doc. 97, 87th Cong.).

The San Miguel project is a potential multiple-purpose water resource development in Montrose and San Miguel Counties in southwestern Colorado, which is proposed as a participating project of the Colorado River storage project. The report and its accompanying documents demonstrate that this proposed project has engineering feasibility and is economically justified.

Water resource development is urgently needed in the project area to expand and stabilize the agricultural economic base and to promote industrial expansion and associated municipal development. Recreation facilities for an increasing tourist influx are also needed. The State of Colorado and local interests have actively supported development of the project. The San Miguel Water Conservancy District was formed in 1957 to promote the project and to serve as the administrative and repayment contracting entity.

The proposed report on the project was transmitted to the affected States and interested Federal agencies for review on March 11, 1966, as required by law and Presidential instructions. Copies of the review comments received are attached to the report.

I recommend that the San Miguel project, Colorado, be authorized for construction as set forth in the report. I shall appreciate your advice concerning the relationship of the project to your program before I transmit the report to the Congress for its consideration and appropriate action, as provided in the Reclamation Project Act of 1939.

Sincerely yours,

STEWART L. UDALL,
Secretary of the Interior.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., May 3, 1966.

Hon. JOHN W. MCCORMACK,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: As provided by section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187), transmitted herewith is my report on the San Miguel project, Colorado.

The report presents a plan for a water resource development in southwestern Colorado which is proposed as a participating project of the Colorado River storage project. The plan has engineering feasibility and is economically justified.

My proposed report on this project was transmitted on March

11, 1966, to the States of the Colorado River Basin, the Secretary of the Army, and the interested Federal agencies for review as required by law and the procedures approved by the President on May 15, 1962. Copies of the review comments received are attached to the report.

The report and copies of the comments received were submitted to the President on April 6, 1966. Enclosed ¹ is a copy of a letter dated April 30, 1966, from the Deputy Director of the Bureau of the Budget which, in summary, states that the Bureau of the Budget would favor deferral of the San Miguel project pending the establishment of the National Water Commission and completion of its review of related water problems.

Sincerely yours,

STEWART L. UDALL,
Secretary of the Interior.

WEST DIVIDE PARTICIPATING PROJECT

COLORADO

[House Document No. 434, 89th Congress.]

DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., March 10, 1966.

The SECRETARY OF THE INTERIOR.

SIR: This is my proposed report on the West Divide project, Colorado. It is based on and includes the attached ² feasibility report of the regional director dated March 8, 1966, and its appended reports, or excerpts from the reports, of the Forest Service, Bureau of Sport Fisheries and Wildlife, Corps of Engineers, Bureau of Mines, and Public Health Service. This is one of the potential participating projects that were given priority in respect to the completion of planning reports by the Colorado River Storage Project Act of April 11, 1956 (70 Stat. 105).

The West Divide project is a proposed multipurpose water resource development in Garfield, Mesa, Pitkin, and Gunnison Counties in west-central Colorado. Project water would be obtained from a series of Colorado River tributaries, including the Crystal River. The project would provide municipal, industrial, and irrigation water supplies, flood control, recreation, and fish and wildlife enhancement. Development of hydroelectric power was not found to be economically justified as a project purpose.

¹ See page 250.

² Excluded from this publication.

The most urgent need of the project area is for additional water supplies, both for the existing agricultural economy and for the potential municipal and industrial development based upon the oil shale reserves of the area.

* * *

The flows of the Crystal River would be regulated at the proposed 106,000-acre-foot Placita Reservoir to be formed by the 301-foot-high, earth and rockfill Placita Dam. Some releases would be made from the reservoir to the Crystal River for downstream uses but most of the water would be conveyed through the 25-mile Huntsman Canal to West Divide Creek. These flows would be supplemented by water from tributaries of West Divide Creek intercepted by a feeder canal and regulated in the 7,600-acre-foot Haystack Reservoir which would be formed by two earthfill dams and a dike. Distribution to the western portion of the project area would be made from West Divide Creek through the 49-mile West Divide Canal and the 6-mile East Divide Canal. The 9,200-acre-foot Yank Creek Reservoir would be constructed on North Thompson Creek to meet project needs in the eastern portion of the project area. Releases from this reservoir would be distributed by the 9-mile-long Fourmile Canal.

Irrigation laterals would be constructed from the main project canals, and drains would be provided as needed. Municipal and industrial water supplies would be made available for sale in the Colorado River and in the West Divide and Fourmile Canals. Facilities for reregulation, distribution, and treatment of the municipal and industrial supplies would be the responsibility of the water users. Recreation developments would be provided by the Forest Service at all project reservoirs since the reservoirs would be within national forest boundaries.

In order for adequately sized farms to be served project water in the Thompson area, along the eastern border of the project, more than 160 acres in a single ownership would be required. Provision in the authorization legislation will thus be required permitting the delivery of water to 160 acres of class 1 land or the equivalent thereof, as determined by the Secretary, in lands of lower classification.

Conditional water rights with an appropriation date of April 22, 1957, have been granted by the State of Colorado for a West Divide project that was planned some years ago and that differs slightly from the present project plan. It is anticipated that the decrees granted could be transferred to presently planned project works and that new decrees required could be obtained without difficulty. The West Divide Water Conservancy District is now taking action to secure the necessary rights.

* * *

The total construction cost of the proposed West Divide project is estimated to be \$99,800,000, based on October 1965 prices.²

¹ [Extract from House Report No. 1312, 90th Congress, Apr. 24, 1968, Part XI.]—Total estimated cost at 1967 price levels is \$106,580,000 of which \$103,232,000 is reimbursable and allocated as follows: irrigation, \$73,047,000; and municipal and industrial water, \$30,185,000. The nonreimbursable cost of \$3,348,000 is allocated \$3,048,000 to recreation and fish and wildlife and \$300,000 to flood control.

This includes \$1,010,000 of preauthorization investigation costs, of which \$255,000 were funded from the Colorado River Development Fund and are not reimbursable by the project. The total cost excludes \$569,000 of construction costs for recreation facilities at project reservoirs, which are expected to be financed by the Forest Service from its own appropriations.

Annual operation, maintenance, and replacement costs of the project are estimated to be \$93,500. Approximately \$16,700 annually would also be required from Forest Service appropriations for operation and maintenance costs of recreation facilities within the national forests.

An economic evaluation of this proposed development for a 100-year period of analysis, using an interest rate of $3\frac{1}{8}$ percent, indicates that the estimated total annual benefits of the project would exceed the average annual equivalent cost in the ratio of 1.98 to 1. The ratio of direct benefits to cost is evaluated to be 1.16 to 1.

Of the total project construction cost, \$68,328,400 are allocated to irrigation and \$28,140,200 to municipal and industrial water and are reimbursable. The allocations of \$1,738,000 to recreation, \$1,278,100 to fish and wildlife enhancement, and \$315,300 to flood control are nonreimbursable. There are no separable costs allocated to recreation and fish and wildlife enhancement that would be subject to cost sharing by non-Federal public bodies as required by the Federal Water Project Recreation Act. The operation, maintenance, and replacement costs specifically for, or allocated to, recreation (\$1,800), fish and wildlife enhancement (\$600), and flood control (\$300) would be nonreimbursable.

The irrigation water users would pay their annual operation, maintenance, and replacement costs amounting to a total of \$76,600. The construction costs allocated to irrigation would be interest free and would be repaid in 50 years, exclusive of suitable development periods, from the following sources: water users (\$11,770,000), ad valorem taxes (\$4,958,500), apportioned revenues from the Colorado River storage project (\$51,344,900), and credit for prepaid investigation costs funded from the Colorado River Development Fund (\$255,000).

Assuming prior repayment assistance commitments in Colorado for the Paonia, Smith Fork, Florida, Silt, Bostwick Park, Fruitland Mesa, and Savery-Pot Hook projects, which are authorized participating projects, and with allowance for prior repayment assistance for the proposed Animas-La Plata, Dolores, and Dallas Creek projects, which have been or are being recommended for authorization as participating projects, it has been determined that revenues would become available as needed to complete repayment in 50 years.

The municipal and industrial water users would repay the costs allocated to municipal and industrial water with interest, including interest during construction, as well as all annual operation, maintenance, and construction costs for that purpose, which are estimated to be \$14,200. The repayment schedule is based upon

development in three blocks with payments on storage costs deferred in two of the blocks in accordance with provisions of the Water Supply Act of 1958, as amended. Repayment of the costs associated with each block would be made within 50 years from the related time of initial use of water.

The interest during construction on municipal and industrial water supply is estimated to be \$2,024,300 at 3.222 percent current interest rate. The actual rate of interest to be used, however, would depend on the rate certified by the Secretary of the Treasury as applicable in the fiscal year in which construction is initiated, as provided by the Colorado River Storage Project Act, as amended by the act of June 27, 1960 (74 Stat. 225).

The proposed plan of development, as presented herein, is engineeringly feasible and economically justified. I therefore concur in and adopt the recommendations of the regional director, as set forth on page 4 of his report.

I recommend that you approve and adopt this report as your proposed report on the West Divide project, Colorado, and that you authorize me on your behalf to transmit copies to the States of the Colorado River Basin, to the Secretary of the Army, and to the other interested Federal agencies for review as required by the act of December 22, 1944 (58 Stat. 887), the Fish and Wildlife Coordination Act (48 Stat. 401, as amended; 16 U.S.C 661, et seq.), procedures approved by the President on May 15, 1962 (S. Doc. 97, 87th Cong.), and Executive Order 11258 dated November 17, 1965, and to the Upper Colorado River Commission.

Respectfully,

FLOYD E. DOMINY,
Commissioner.

Approved and adopted March 10, 1966.

KENNETH HOLUM,
Assistant Secretary of the Interior.

DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., April 6, 1966.

THE SECRETARY OF THE INTERIOR.

SIR: This is my report on the West Divide project, Colorado. It is based on and includes our proposed report of March 10, 1966, which was approved and adopted on that date as your proposed report.

Copies of the report were transmitted on March 11, 1966, to the affected States and to the Secretary of the Army for review as required by law. In accordance with the Fish and Wildlife Coordination Act, the report was sent to the State of Colorado for comments from the head of the agency exercising administration over the wildlife resources of that State. In addition, copies were sent to the interested Federal agencies in accordance with procedures

approved by the President on May 15, 1962. Copies¹ of the comments received are attached to and made a part of this report.

The State of Colorado concurs with our proposed report on the project and urges its earliest authorization and construction. It points out that the State has long accorded a high priority to the development. The Colorado Department of Game, Fish, and Parks has reviewed and concurs in the findings and recommendations made by the Bureau of Sport Fisheries.

The State of Utah has no objection to the project but recommends that, before construction is initiated, a detailed report be completed demonstrating that this and other proposed Colorado projects can be operated within Colorado's entitlement to Colorado River water. The State of Wyoming expresses concern over the authorization now of projects whose water supply might be affected by a future determination of responsibility for the burden of delivering water to Mexico under the Water Treaty of 1944. It indicates that all three of the Colorado projects which are covered by its comments, including the San Miguel, West Divide, and Dallas Creek projects, appear to fall into the category of depending on water which might be required for delivery of water to Mexico. The State recommends that the extent of the Mexican Treaty burden on all parties concerned should be defined before authorizing any projects which could involve the use of water that might, in the future, be required in fulfillment of the Mexican Treaty burden.

In respect to the comments of Utah and Wyoming covering the adequacy of Colorado's share of Colorado River water to serve future developments, it is our determination that there is sufficient uncommitted water remaining within Colorado's share of compacted water to meet contemplated new uses even in the event it is determined that the upper basin is obligated to share in the Mexican Treaty burden. The figures quoted by Governor Hansen from Mr. Ival Goslin's letter of March 11, 1966, do not, as Mr. Goslin indicated in his letter, allow for "salvage" of water by use. We believe that allowance for this factor is appropriate and that modification of the quoted figures in recognition thereof would demonstrate that the water supply for projects currently being recommended for authorization in Colorado would not be endangered by a future determination that the upper basin must share in meeting the Mexican Treaty obligation. We point out, however, that the margin of safety would be thin and would not permit any significant future water uses in Colorado other than those now anticipated. Before construction is initiated we would, as a matter of normal procedure, review our current determination of adequacy of water supply in light of conditions that exist at that time.

The State of Nevada has no objection to the authorization and construction of the project. It appears to the State that the rates for municipal and industrial water supply could be increased to assist in repayment of project costs and thus reduce the burden

¹ Excluded from this publication.

placed upon power revenues from the Colorado River storage project. During our preconstruction studies of the project following its authorization, consideration will be given to the advisability of increasing the municipal and industrial water rates over those shown in the report. If an increase in these rates is found to be practicable and commensurate with the projected development of the municipal and industrial water use, the portion of the project costs repaid from project revenues could be increased and the requirement for apportioned revenues from the Colorado River storage project reduced accordingly.

The Chief of Engineers, Department of the Army, advises that review of the report indicates the proposed plan would not conflict with any Corps of Engineers project. He emphasizes that flood control benefits of the amount indicated in the report can only be realized by a plan of operation involving forecast of snowmelt runoff and seasonal evacuation of the reservoir to provide sufficient storage space for control of snowmelt floods. Such a plan of operation is contemplated in our report.

Pursuant to Executive Order 11258, the Department of Health, Education, and Welfare reports that there are no specific changes or other measures to be suggested with respect to the design, construction, or operation of the project. It also reports that as information and means of mitigating the adverse effects of irrigation return flows become available, that Department will be glad to work with us in instituting such changes as may be necessary to protect all present, proposed, and future legitimate uses, including existing irrigation developments.

The comments received from other States and Federal agencies either are favorable or offer no objection to the project. Suggested improvements or modifications of certain technical or related details of the proposed plan of development will be considered and can be accommodated as desirable or necessary during advance planning and preconstruction activities following authorization of construction. No revision of the report as a result of these reviews appears to be necessary.

Since approval and adoption of our proposed report, however, further review and coordination of the project plan within the Department of the Interior has indicated the desirability of affording additional consideration of the fish and wildlife aspects of the project during the detailed preconstruction planning subsequent to authorization of the project. As recommended by the Bureau of Sport Fisheries and Wildlife, fishery management studies at the three project reservoirs would be made by the State of Colorado and the estimated cost thereof (\$50,000) would be a project cost rather than being made as a part of the Forest Service's development of the recreation areas as indicated in our regional director's report. The cost estimate for the project is considered sufficient to cover the cost of those studies.

The Bureau of Outdoor Recreation finds that the proposed recreation developments would be consistent with the Colorado statewide comprehensive outdoor recreation plan, which plan was

found by that Bureau to be adequate for the purposes of subsection 5(d) of the Land and Water Conservation Fund Act of 1965 (Public Law 88-578, 78 Stat. 897).

Taking into account existing and committed water uses, construction of the West Divide project, together with construction of other projects currently recommended for authorization, would result in committing to future use practically the entire remaining share of Colorado's assured consumptive use entitlement to waters of the Colorado River Basin. Thus, we believe that the timing of construction of such projects should be given the most careful consideration, both by the Federal Government and the State of Colorado.

I recommend that you approve and adopt this report as your report on the West Divide project, Colorado, and that you transmit it, together with the attached documents, to the President and subsequently to the Congress, as provided by the Reclamation Project Act of 1939.

Respectfully,

FLOYD E. DOMINY,
Commissioner.

Approved and adopted April 6, 1966.

STEWART L. UDALL,
Secretary of the Interior.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., April 6, 1966.

The PRESIDENT,
The White House,
Washington, D.C.

(Through the Bureau of the Budget).

DEAR MR. PRESIDENT: My report on a plan of development for the West Divide project, Colorado, is transmitted herewith as provided by section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187) and section III-E-3 of the procedures approved by the President on May 15, 1962 (S. Doc. 97, 87th Cong.).

The West Divide project is a potential multiple-purpose water resource development in Garfield, Mesa, Pitkin, and Gunnison Counties in west-central Colorado, which is proposed as a participating project of the Colorado River storage project. The report and its accompanying documents demonstrate that this proposed project has engineering feasibility and is economically justified.

The project area is urgently in need of water supplies to stabilize the existing agricultural economy and to provide for the important potential municipal and industrial development based upon the vast oil shale reserves of the area. The State of Colorado, the local interests, and the Colorado River Water Conservancy District have actively supported the project. The West Di-

vide Water Conservancy District was organized on April 17, 1964, for project sponsorship and administration.

The proposed report on this project was transmitted to the affected States and interested Federal agencies for review on March 11, 1966, as required by law and Presidential instructions. Copies of the review comments received are attached to the report.

I recommend that the West Divide project, Colorado, be authorized for construction as set forth in the report. I shall appreciate your advice concerning the relationship of the project to your program before I transmit the report to the Congress for its consideration and appropriate action, as provided in the Reclamation Project Act of 1939.

Sincerely yours,

STEWART L. UDALL,
Secretary of the Interior.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., May 3, 1966.

Hon. JOHN W. MCCORMACK,
Speaker of the House of Representatives.
Washington, D.C.

DEAR MR. SPEAKER: As provided by section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187), transmitted herewith is my report on the West Divide project, Colorado.

The report presents a plan for a water resource development in west-central Colorado which is proposed as a participating project of the Colorado River storage project. The plan has engineering feasibility and is economically justified.

My proposed report on this project was transmitted on March 11, 1966, to the States of Colorado River Basin, the Secretary of the Army, and the interested Federal agencies for review as required by law and the procedures approved by the President on May 15, 1962. Copies of the review comments received are attached to the report.

The report and copies of the comments received were submitted to the President on April 6, 1966. Enclosed ¹ is a copy of a letter dated April 30, 1966, from the Deputy Director of the Bureau of the Budget which, in summary, states that the Bureau of the Budget would favor deferral of the West Divide project pending the establishment of the National Water Commission and completion of its review of related water problems.

Sincerely yours,

STEWART L. UDALL,
Secretary of the Interior.

¹ See page 250.

AUTHORIZATION OF ANIMAS-LA PLATA, DOLORES, DALLAS CREEK, WEST DIVIDE, AND SAN MIGUEL PARTICIPATING PROJECTS

[Extracts from] An act to authorize the construction, operation, and maintenance of the Colorado River Basin project, and for other puposes. (Act of September 30, 1968, 82 Stat. 885, 896, Public Law 90-537.)

TITLE V—UPPER COLORADO RIVER BASIN: AUTHORIZATIONS AND REIMBURSEMENTS

SEC. 501. (a) [Additional projects authorized.] In order to provide for the construction, operation, and maintenance of the Animas-La Plata Federal reclamation project, Colorado-New Mexico; the Dolores, Dallas Creek, West Divide, and San Miguel Federal reclamation projects, Colorado; and the Central Utah project (Uintah unit), Utah, as participating projects under the Colorado River Storage Project Act (70 Stat. 105; 43 U.S.C. 620), and to provide for the completion of planning reports on other participating projects, clause (2) of section 1 of said Act is hereby further amended by (i) inserting the words "and the Uintah unit" after the word "phase" within the parenthesis following "Central Utah", (ii) deleting the words "Pine River Extension" and inserting in lieu thereof the words "Animas-La Plata, Dolores, Dallas Creek, West Divide, San Miguel", (iii) adding after the words "Smith Fork:" the proviso "*Provided*, That construction of the Uintah unit of the Central Utah project shall not be undertaken by the Secretary until he has completed a feasibility report on such unit and submitted such report to the Congress along with his certification that, in his judgment, the benefits of such unit or segment will exceed the costs and that such unit is physically and financially feasible, and the Congress has authorized the appropriation of funds for the construction thereof:". Section 2 of said Act is hereby further amended by (i) deleting the words "Parshall, Troublesome, Rabbit Ear, San Miguel, West Divide, Tomichi Creek, East River, Ohio Creek, Dallas Creek, Dolores, Fruit Growers Extension, Animas-La Plata", and inserting after the words "Yellow Jacket" the words "Basalt Middle Park (including the Troublesome, Rabbit Ear, and Azure units), Upper Gunnison (including the East River, Ohio Creek, and Tomichi Creek units), Lower Yampa (including the Juniper and Great Northern units), Upper Yampa (including the Hayden Mesa, Wessels, and Toponas units)"; (ii) by inserting after the word "Sublette" the words "(including a diversion of water from the Green River to the North Platte River Basin in Wyoming), Ute Indian unit of the Central Utah Project, San Juan County (Utah), Price River, Grand County (Utah), Gray Canyon, and Juniper (Utah)"; and (iii) changing the period after "projects" to a colon and adding the following proviso: "*Provided*, That the planning report for the Ute Indian unit of the Central Utah participating

project shall be completed on or before December 31, 1974, to enable the United States of America to meet the commitments heretofore made to the Ute Indian Tribe of the Uintah and Ouray Indian Reservation under the agreement dated September 20, 1965 (Contract Numbered 14-06-W-194)." The amount which section 12 of said Act authorizes to be appropriated is hereby further increased by the sum of \$392,000,000, plus or minus such amounts, if any, as may be required, by reason of changes in construction costs as indicated by engineering cost indices applicable to the type of construction involved. This additional sum shall be available solely for the construction of the Animas-La Plata, Dolores, Dallas Creek, West Divide, and San Miguel projects herein authorized.

(b) The Secretary is directed to proceed as nearly as practicable with the construction of the Animas-La Plata, Dolores, Dallas Creek, West Divide, and San Miguel participating Federal reclamation projects concurrently with the construction of the Central Arizona Project, to the end that such projects shall be completed not later than the date of the first delivery of water from said Central Arizona Project: *Provided*, That an appropriate repayment contract for each of said participating projects shall have been executed as provided in section 4 of the Colorado River Storage Project Act (70 Stat. 107) before construction shall start on that particular project.

(c) The Animas-La Plata Federal reclamation project shall be constructed and operated in substantial accordance with the engineering plans set out in the report of the Secretary transmitted to the Congress on May 4, 1966, and printed as House Document 436, Eighty-ninth Congress: *Provided*, That construction of the Animas-La Plata Federal reclamation project shall not be undertaken until and unless the States of Colorado and New Mexico shall have ratified the following compact to which the consent of Congress is hereby given:

"ANIMAS-LA PLATA PROJECT COMPACT

"The State of Colorado and the State of New Mexico, in order to implement the operation of the Animas-La Plata Federal Reclamation Project, Colorado-New Mexico, a proposed participating project under the Colorado River Storage Project Act (70 Stat. 105; 43 U.S.C. 620) and being moved by considerations of interstate comity, have resolved to conclude a compact for these purposes and have agreed upon the following articles:

"ARTICLE I

"A. The right to store and divert water in Colorado and New Mexico, from the La Plata and Animas River systems, including return flow to the La Plata River from Animas River diversions, for uses in New Mexico under the Animas-La Plata Federal Reclamation Project shall be valid and of equal priority with those rights granted by decree of the Colorado state courts for the uses of water in Colorado for that project, providing such uses in New

Mexico are within the allocation of water made to that state by articles III and XIV of the Upper Colorado River Basin Compact (63 Stat. 31).

"B. The restrictions of the last sentence of Section (a) of Article IX of the Upper Colorado River Basin Compact shall not be construed to vitiate paragraph A of this article.

"ARTICLE II

"This Compact shall become binding and obligatory when it shall have been ratified by the legislatures of each of the signatory States."

(d) The Secretary shall, for the Animas-La Plata, Dolores, Dallas Creek, San Miguel, West Divide, and Seedskaadee participating projects of the Colorado River storage project, establish the nonexcess irrigable acreage for which any single ownership may receive project water at one hundred and sixty acres of class 1 land or the equivalent thereof, as determined by the Secretary, in other land classes.

(e) In the diversion and storage of water for any project or any parts thereof constructed under the authority of this Act or the Colorado River Storage Project Act within and for the benefit of the State of Colorado only, the Secretary is directed to comply with the constitution and statutes of the State of Colorado relating to priority of appropriation; with State and Federal court decrees entered pursuant thereto; and with operating principles, if any, adopted by the Secretary and approved by the State of Colorado.

(f) The words "any western slope appropriations" contained in paragraph (i) of that section of Senate Document Numbered 80, Seventy-fifth Congress, first session, entitled "Manner of Operation of Project Facilities and Auxiliary Features", shall mean and refer to the appropriation heretofore made for the storage of water in Green Mountain Reservoir, a unit of the Colorado-Big Thompson Federal reclamation project, Colorado; and the Secretary is directed to act in accordance with such meaning and reference. It is the sense of Congress that this directive defines and observes the purpose of said paragraph (i), and does not in any way affect or alter any rights or obligations arising under said Senate Document Numbered 80 or under the laws of the State of Colorado.

SEC. 502. The Upper Colorado River Basin Fund established under section 5 of the Colorado River Storage Project Act (70 Stat. 107; 43 U.S.C. 620d) shall be reimbursed from the Colorado River Development Fund established by section 2 of the Boulder Canyon Project Adjustment Act (54 Stat. 774; 43 U.S.C. 618a) for the money expended heretofore or hereafter from the Upper Colorado River Basin Fund to meet deficiencies in generation at Hoover Dam during the filling period of storage units of the Colorado River storage project pursuant to the criteria for the filling of Glen Canyon Reservoir (27 Fed. Reg. 6851, July 19, 1962). For this purpose, \$500,000 for each year of operation of Hoover Dam

and powerplant, commencing with fiscal year 1970, shall be transferred from the Colorado River Development Fund to the Upper Colorado River Basin Fund, in lieu of application of said amounts to the purposes stated in section 2(d) of the Boulder Canyon Project Adjustment Act, until such reimbursement is accomplished. To the extent that any deficiency in such reimbursement remains as of June 1, 1987, the amount of the remaining deficiency shall then be transferred to the Upper Colorado River Basin Fund from the Lower Colorado River Basin Development Fund, as provided in subsection (g) of section 403.

COLUMBIA BASIN PROJECT

WASHINGTON

The Secretary's feasibility report on the Third Powerplant for Columbia Basin project was transmitted to the President on March 29, 1965, (H. Doc. 142, 89th Cong.). On April 13, 1965, President Lyndon Johnson sent this request to the Speaker of the House of Representatives recommending authorization.

The Third Powerplant was authorized by Act of Congress on June 14, 1966 (80 Stat. 200).

DRY FALLS DAM

Joint resolution to change the name of the South Coulee Dam in the Columbia Basin project to Dry Falls Dam. (Act July 10, 1952, 66 Stat. 576, Public Law 82-500.)

That the South Coulee Dam in the Columbia Basin project shall hereafter be known as Dry Falls Dam and any law, regulation, document, or record of the United States in which such dam is designated or referred to under the name South Coulee Dam shall be held to refer to such dam under and by the name of Dry Falls Dam.

COULEE DAM COMMUNITY ACT OF 1957

[Extracts from] An act to provide for the disposal of certain Federal property in the Coulee Dam and Grand Coulee areas, to provide assistance in the establishment of a municipality incorporated under the laws of Washington, and for other purposes. (Act of August 30, 1957, 71 Stat. 524, 529, 530, Public Law 85-240.)

SEC. 1. [Federal disposal of town of Coulee Dam and city of Grand Coulee.] That it is the purpose of this Act, in connection with the Columbia Basin project, to authorize the disposal of certain Federal property in the unincorporated area in the State of Washington commonly known as the town of Coulee Dam in order that the United States may withdraw from the ownership and operation of the town and that the people of that area may enjoy self-government to facilitate the establishment by them of a municipal corporation under the laws of the State of Washington, and to authorize the disposal of certain Federal property in

and in the immediate vicinity of the city of Grand Coulee, Washington, in order to reduce restrictions on the growth thereof.

* * *

SEC. 6. [Transfer of Federal property.] The Secretary is authorized to transfer without cost out of the properties in his custody within the town and Grand Coulee areas ownership of—

(a) any Federally owned municipal-type property and facilities together with rights-of-way therefor, equipment, materials, and supplies, in or serving said areas, including but not limited to the sewer, water, fire-alarm, street-lighting, electric feeder lines, and power-distribution systems, and the highways, streets, alleys, sidewalks, parks, and parking areas to the municipality or Grand Coulee if their respective areas are substantially served by such properties. Any such transfer to the municipality, however, will not be made unless the town area or a part thereof is incorporated within four years from the date of this Act;

(b) the school buildings and grounds, athletic fields, tennis courts, and other properties currently used for educational purposes to the appropriate school district; and

(c) highway improvements in and connecting the town and Grand Coulee areas and the bridge across the Columbia River, together with the necessary rights-of-way therefor to the State of Washington.

* * *

SEC. 9. [Proceeds from sales.] (a) All proceeds from sales of property (including the assignment of contracts) authorized under section 2 of this Act are hereby appropriated for expenditure by the Secretary for (1) expenses of disposal of Federal property under this Act, including rebates, where appropriate, to vendees of the United States entitled to the discount provided under section 3 of this Act for attainment of early incorporation of the municipality, and (2) for purposes authorized in subsection 7(a) and (1) of subsection 7(b) of this Act: *Provided*, That amounts referred to in (2) and (3) of subsection 7(b) of this Act shall be expended only after specific appropriation has been made by Congress therefor. So much of the aforesaid proceeds as is in excess of amounts which may be necessary for expenditures referred to in this subsection shall be covered into the reclamation fund.

(b) Transfers under this Act of Federal property to non-Federal ownership shall not result in any diminution of the reimbursable costs of the Columbia Basin project except to the extent that any net proceeds from sales of property under this Act are credited to said project.

SEC. 10. [Rights under leases.] Transfers of Federal property under this Act shall not impair rights under leases granted by the United States.

SEC. 11. [Rules and regulations. Appropriation.] (a) The Secretary is authorized to perform such acts, to make such rules and

regulations, and to include in any contracts and conveyances such provisions as he deems proper for the purpose of carrying out the provisions of this Act, including provisions for payment for furnishing of municipal facilities and services while such facilities and services are provided by the United States and for the establishment of liens in connection therewith. There are hereby authorized to be appropriated such sums, not otherwise appropriated, as may be required to carry out the purposes of this Act. Wherever in this Act functions, powers, and other duties are conferred upon the Secretary, such functions, powers and duties may be performed, exercised, or discharged by his duly authorized representatives.

(b) [Contracts.] The Secretary is authorized to enter into contracts with the municipality whereby either party might undertake to render to the other such services in aid of the performance of activities and functions of the municipality and of the Department of the Interior within or near Coulee Dam as will, in the Secretary's judgment, contribute substantially to the efficiency or economy of the operations of the Department of the Interior.

(c) The authority conferred by this Act is in addition to any authority conferred by any other law and shall not be subject to the provisions of any law inconsistent herewith.

SEC. 12. [Short title.] This Act may be cited as the "Coulee Dam Community Act of 1957."

THIRD POWERPLANT

U.S. DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., February 8, 1965.

The SECRETARY OF THE INTERIOR.

SIR: This is my proposed report on the third powerplant, Grand Coulee Dam, Columbia Basin Project, Washington. It is based on and includes the attached ¹ report of the regional director, Bureau of Reclamation, Boise, Idaho, dated January 1965, and the report of the National Park Service which is appended thereto.

The purpose of this proposal is to provide sufficient generating capacity at Grand Coulee Dam to make most effective use of the hydroelectrical potential of the site to help meet the growing power requirements of the Pacific Northwest. The recent Columbia River Treaty with Canada will result in construction of dams which will triple the existing usable storage for regulation of the Columbia River above Grand Coulee Dam. The regulated flow of the river can be utilized most efficiently by installing additional generating capacity at Grand Coulee Dam to provide a large share

¹ Excluded from this publication.

of the region's peaking power requirements. The existence of Chief Joseph Dam and Reservoir immediately downstream from Grand Coulee Dam provides necessary reregulation to permit such peaking operation.

* * *

This proposal has been analyzed as an increment to the Columbia Basin project. A complete reallocation of all Columbia Basin project costs, including the third powerplant, is to be prepared at a future date. For this reason, we have not for this report allocated any costs to flood control, and only specific costs of recreation features to recreation. All costs except the specific costs associated with the recreation (visitor) facilities have been assigned to commercial power. Those costs, including interest during construction, amount to \$399,473,000, and are repayable with interest. The recreation costs (\$1,292,000) are recommended to be non-reimbursable.

Power and energy generated at the third powerplant in excess of project requirements will be marketed by the Bonneville Power Administration, and repayment of the costs will be provided through the pooled revenues of the Columbia River Federal power system within 50 years of the date each major power unit becomes operative. The proposed development can be demonstrated to be an excellent financial investment at existing Bonneville Power Administration rates.

I therefore concur in the recommendations of the regional director, as set forth on page 49 of his report.

I recommend that you approve and adopt this report as your proposed report on the third powerplant, Grand Coulee Dam, Columbia Basin project, Washington, and that you authorize me in your behalf to transmit copies of this report to the States of the Columbia River Basin, to the Secretary of the Army, and to the interested Federal agencies for review as required by the Flood Control Act of 1944 (58 Stat. 887), the Fish and Wildlife Coordination Act (48 Stat. 401, as amended), and procedures approved by the President on May 15, 1962 (S. Doc. 97, 87th Cong.)

Respectfully,

FLOYD E. DOMINY,
Commissioner.

Approved and adopted February 10, 1965.

STEWART L. UDALL,
Secretary of the Interior.

U.S. DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., March 26, 1965.

The SECRETARY OF THE INTERIOR.

SIR: This is my report on the third powerplant, Grand Coulee Dam, Columbia Basin project, Washington. It is based upon and includes our proposed report of February 8, 1965, which you ap-

proved and adopted as your proposed report on February 10, 1965.

Copies of the proposed report were transmitted on February 11, 1965, to the States of the Columbia River Basin and to the Secretary of the Army for review as required by the Flood Control Act of 1944 (58 Stat. 887), and to the State of Washington for comments from the head of the agency exercising administration over the wildlife resources of that State as required by the Fish and Wildlife Coordination Act. Copies of the report were sent also to the interested Federal agencies for review in accordance with Presidential instructions. Copies¹ of all the comments received are attached to and made a part of this report.

Governor Evans, of Washington, in a letter and a telegram, commends this forward-looking proposal and hopes for early congressional authorization and appropriation of funds for construction of the third powerplant. He feels, however, that the report is probably unduly conservative in respect to the evaluated recreation benefits and disregard in the cost allocation for the flood control benefits that will be provided by the third powerplant. As a matter for congressional consideration, the Governor also suggests that the payout schedule should be extended beyond the presently planned 50 years.

We recognized that benefits will accrue to both the recreation and flood control functions by the third powerplant increment, but since they would be realized in large measure by use of the joint facilities of the dam and reservoir, and since we propose to prepare a complete reallocation of costs for the entire Columbia Basin project, it is preferable not to complicate the third powerplant report by making allocations to those purposes in this report.

The Washington Department of Game advises that the proposal would have no adverse effect on the fishery in the Columbia River, and suggests that the possibility of lowering temperatures in the river through powerplant releases be further explored. As indicated in our proposed report this possibility will be studied following construction of the initial stage of development.

The Acting Chief of Engineers, Department of the Army, states that there will be no conflict between the proposal and any Corps of Engineers' projects and suggests the schedule for additional generating units at Grand Coulee be coordinated with schedules for installations at other projects. He also suggests that it is not apparent that the addition of the third powerplant provides basis for identification of recreation as a purpose of the proposal. We recognized this and are providing herein that no costs for the new visitor facilities be allocated to recreation. When the complete reallocation of costs for the Columbia Basin project is made, some of the joint costs of the dam and reservoir as well as the specific costs of recreation facilities will be allocated to recreation.

Based on its consideration of our proposed report and the studies of its own staff, the Federal Power Commission concludes

¹ Excluded from this publication.

that the construction of the third powerplant is economically justified and financially feasible. Also, that the added power output could be utilized within a reasonable period of time.

The comments of the other States and Federal agencies are generally favorable or express no objection to the authorization of the third powerplant.

Upon further consideration of the proposed report of February 8, 1965, and the comments of the various reviewers, we conclude that the report should be revised to eliminate the allocation of costs to recreation at this time. The forthcoming report on reallocation of the entire Columbia Basin project will reflect consideration of the recreation and flood control functions of the third powerplant.

I recommend that you approve and adopt this report as your report on the third powerplant, Grand Coulee Dam, Columbia Basin project, Washington, and that you transmit it, together with the attached comments, to the President and subsequently to the Congress in accordance with the Reclamation Project Act of 1939.

Respectfully,

FLOYD E. DOMINY,
Commissioner.

Approved and adopted March 29, 1965:

STEWART L. UDALL,
Secretary of the Interior.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., March 29, 1965.

The PRESIDENT,
The White House, Washington, D.C.
(Through Bureau of the Budget.)

DEAR MR. PRESIDENT: My report on the third powerplant, Grand Coulee Dam, Columbia Basin project, Washington, is transmitted herewith pursuant to section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187) and section III-E-3 of the procedures approved by the President on May 15, 1962 (S. Doc. 97, 87th Cong.).

The third powerplant would be constructed on the right (west) bank of the river adjoining the Grand Coulee Dam. Reservoir water would be conveyed around the existing dam to a new forebay to be formed by a concrete forebay dam. Penstocks from this forebay would lead to the powerhouse at the downstream river level. Twelve turbine-generator units would be installed in pairs as the power market builds up, with the final pair now expected to be in operation by 1983. As now planned, each generator would have a capacity of 300,000 kilowatts, eventually totaling 3,600,000 kilowatts for the third powerplant and nearly 5,600,000 kilowatts for the entire project. Before construction we intend to reexamine the planned capacity, and minor adjustments may be made. New visitor facilities at the dam would be required to replace those which would be displaced by the new construction.

The construction cost of the third powerplant and appurtenant works is estimated at \$364,310,000. The benefit-cost ratio is 3.24 to 1. The report and its accompanying documents demonstrate that the third powerplant is engineeringly feasible and economically justified.

My proposed report was transmitted to the States of the Columbia River Basin and to the interested Federal agencies for review, as required by law and the procedures approved by the President on May 15, 1962. Copies of the comments received are attached to the report.¹ There are no objections to the proposal.

This powerplant proposal has been analyzed as an increment to the Columbia Basin project. No costs have been allocated to the flood control function or to the recreation function. We recognize that the report, therefore, does not reflect the full multiple-purpose value of the third powerplant. We intend to rectify this situation in the future by a complete reallocation of all Columbia Basin project costs, which will include the third powerplant as a feature of the overall project.

I recommend that the third powerplant, Grand Coulee Dam, Columbia Basin project, Washington, be authorized for construction as presented in the enclosed report. I shall appreciate your advice concerning the relationship of this proposal to your program before the report is transmitted to the Congress for its consideration and appropriate action as provided by the Reclamation Project Act of 1939.

Sincerely yours,

STEWART L. UDALL,
Secretary of the Interior.

THE WHITE HOUSE,
Washington, April 13, 1965.

Hon. JOHN W. MCCORMACK,
Speaker of the House of Representatives.
Washington, D.C.

DEAR MR. SPEAKER: Electricity is a basic requirement of modern society. It is vital to our industries, farms, and homes. The Nation's rapidly expanding use of electricity is expected to more than double and perhaps triple by 1980. This calls for the combined efforts of all segments of the power industry—private, cooperative, and public. Therefore, I am pleased to transmit herewith the report of the Secretary of the Interior concerning the economic and engineering feasibility of a third powerplant at Grand Coulee Dam on the Columbia River and a draft of authorizing legislation.¹ I have approved the Secretary's report and recommend that the draft legislation be enacted to authorize the construction of this outstanding project.

The proposed third powerplant will ultimately add 3.6 million kilowatts of generating capacity to the 2 million kilowatts at the two existing powerplants. When completed, the total capacity of

¹ Excluded from this publication.

the powerplants at Grand Coulee Dam will total 5.6 million kilowatts. It will be larger than any single hydroelectric development in the world today.

Authorization and construction of the third powerplant at the Grand Coulee Dam will further the orderly development of the vast water resources of the Columbia River. This is the next logical step following two important events which occurred last year.

First, Prime Minister Pearson of Canada and I met last September to proclaim the Columbia River treaty for cooperative development of the Columbia River—one of the great rivers of this continent. Canada has already started construction of huge dams to store water on its side of the border. These reservoirs will provide 15.5 million acre-feet of water storage in Canada. This storage capacity will provide increased protection of people and property in both countries from devastating floods and greatly enhance the hydroelectric potential of powerplants on the Columbia River.

The United States must construct additional power generating facilities at its existing system of dams to take full advantage of this potential. The Grand Coulee Dam, because of its location in relation to other Columbia River powerplants, its height, its large reservoir capacity, and the reregulation of riverflow by Chief Joseph Dam immediately downstream, will develop a major share of the increased power potential made possible by the treaty.

Second, the Congress approved last year a four-line extra-high-voltage transmission intertie between the Pacific Northwest and the Pacific Southwest. It represents exciting new developments in electric power technology. It is the largest single electrical transmission program ever undertaken in this country and is one of the finest examples of cooperation among publicly owned and privately owned utilities and the Federal Government.

The rapidly growing demands for electric power in the Pacific Northwest will readily absorb the power produced by the proposed powerplant. However, some peaking power and secondary (not regularly available) power that is surplus to the needs of the Northwest in the early years of the project can be marketed in the Pacific Southwest over the intertie. Thus, the intertie will permit maximum utilization of the waters flowing past Grand Coulee Dam, resulting in conservation in its truest sense.

The economic and financial feasibility of the third powerplant are exceptionally favorable. The benefit-cost ratio is more than 3 to 1. Revenues from the sale of power will more than pay for the capital investment within 50 years. In addition to power benefits, the project will provide increased flood-protection benefits by improving control of water stored in Franklin D. Roosevelt Lake behind Grand Coulee Dam.

Accordingly, I commend the Secretary's report to your consideration and recommend early enactment of the authorizing legislation which I have transmitted.

Sincerely,

LYNDON B. JOHNSON.

THIRD POWERPLANT AUTHORIZING ACT

An act to authorize the Secretary of the Interior to construct, operate, and maintain a third powerplant at the Grand Coulee Dam, Columbia Basin project, Washington, and for other purposes. (Act of June 14, 1966, 80 Stat. 200, Public Law 89-448.)

SEC. 1. [Authorization.] That (a) the Secretary of the Interior is hereby authorized to construct, operate, and maintain a third powerplant with a rated capacity of approximately three million six hundred thousand kilowatts, and necessary appurtenant works, including a visitor center, at Grand Coulee Dam as an addition to and an integral part of the Columbia Basin Federal reclamation project. The construction cost of the third powerplant allocated to power and associated with each stage of development shall be repaid with interest within fifty years from the time that stage becomes revenue producing. The interest rate used for computing interest during construction and interest on the unpaid balance of the cost allocated to power shall be determined by the Secretary of the Treasury as of the beginning of the fiscal year in which the initial request for appropriations for the construction of the third powerplant is made, by computing the average interest rate payable by the Treasury on all interest-bearing marketable public debt obligations of the United States then outstanding which, upon original issue, had terms to maturity of fifteen years or more, and by adjusting such average rate to the next lowest multiple of one-eighth of one per centum.

(b) Construction of the third powerplant may be undertaken in such stages as in the determination of the Secretary will effectuate the fullest, most beneficial, and most economic utilization of the waters of the Columbia River.

SEC. 2. [Report to President and Congress.] The Secretary of the Interior shall prepare, maintain, and present annually to the President and the Congress a consolidated financial statement for all projects heretofore or hereafter authorized, including the third powerplant at Grand Coulee Dam, from or by means of which commercial power and energy is marketed through the facilities of the Federal Columbia River power system and for all other projects associated therewith to the extent that the costs of these projects are required by law to be charged to and returned from net revenues derived from the power and energy, or any power and energy, so marketed, and he shall, if said consolidated statement indicates that the reimbursable construction costs of the projects, or any of the projects, covered thereby which are chargeable to and returnable from the commercial power and energy so marketed are likely not to be returned within the period prescribed by law, take prompt action to adjust the rates charged for such power and energy to the extent necessary to assure such return. Section 9, subsection (c) of the Act of August 20, 1937 (50 Stat. 736), as amended (16 U.S.C. 832h) is hereby repealed.

That portion of the construction cost of any project hereafter authorized to be constructed, operated, and maintained by the Secretary of the Interior under the Federal reclamation laws

(Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto) within the Pacific Northwest which, though allocated to irrigation, is beyond the ability of the irrigation water users to repay within the repayment period prescribed by law for that project and cannot be returned within the same period from other project sources of revenue shall be charged to and returned within that period from net revenues derived from the marketing of commercial power and energy through the Federal Columbia River power system, unless otherwise provided by law. As used in this Act, the term "Pacific Northwest" has the meaning ascribed to it in section 1 of the Act of August 31, 1964 (78 Stat. 756).

SEC. 3. **[Appropriation authorized.]** There is hereby authorized to be appropriated, for construction of the third powerplant and necessary appurtenant works including a visitor center at Grand Coulee Dam, the sum of \$390,000,000, based on estimated costs as of April 1966, plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indexes applicable to the types of construction involved herein.

CRESCENT LAKE DAM PROJECT

OREGON

INCREASE OF LIMITATION

[Extract from] An act making supplemental appropriations for the fiscal year ending June 30, 1961, and for other purposes. (Act of September 8, 1960, 74 Stat. 821, 828, Public Law 86-722.)

Construction and rehabilitation: * * * That the limitation under this head in the Interior Department Appropriation Act, 1955, on the amount available toward the emergency rehabilitation of the Crescent Lake Dam project, Oregon, is increased from \$297,000 to \$305,000.

CROOKED RIVER PROJECT

OREGON

The feasibility report on Crooked River project was transmitted by the Secretary of the Interior to the Congress on April 12, 1956 (House Document No. 387, 84th Cong.) The project was authorized by act of Congress on August 6, 1956 (70 Stat. 1058). An increase in canal capacity for future irrigation was authorized by the act of September 14, 1959 (73 Stat. 554).

The feasibility report for the project extension was transmitted by the Secretary to the Congress on November 30, 1961 (House Document No. 301, 87th Cong.) It was authorized by the act of September 18, 1964 (78 Stat. 954).

CROOKED RIVER PROJECT REPORT ¹

[Additional extracts from House Document No. 387, 84th Cong.]

U.S. DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., December 14, 1955.

The SECRETARY OF THE INTERIOR.

Sir: This is my report on the Crooked River project, Oregon. It is based on, and includes, the proposed report on this project which you approved and adopted on May 5, 1955.²

Copies of your proposed report were transmitted to the States of the Columbia River Basin and to the Secretary of the Army on May 13, 1955, in accordance with the provisions of section 1 (c) of the Flood Control Act of 1944 (58 Stat. 887) and to the State of Oregon for comments from the head of the agency exercising administration over the wildlife resources of that State in accordance with the provisions of the act of August 14, 1946 (60 Stat. 1080). Copies of the report were sent also to the agencies represented on the Interagency Committee on Water Resources for comments.

Comments have been received from all to which the report was sent except the States of Idaho and Utah, which would not be affected by the project, and the Department of the Army. Copies of all comments received are attached.³

¹ These documents omitted from 1957 edition.

² See 1957 edition.

³ Excluded from this publication.

In view of the favorable nature of the comments received, it does not appear that revision of your proposed report as a result of review by the various agencies is necessary. In particular, the project was approved and endorsed for construction by officials of the State of Oregon. In general, approval was received from officials of the other States and Federal agencies who in part endorsed the project and recommended its authorization and construction.

Since preparation of your proposed report, however, we have been informed that the bonds of the Ochoco Irrigation District formerly held by the Reconstruction Finance Corporation have been sold to the public and thus cannot be picked up and included with the Crooked River project costs in a repayment contract. The unpaid balance of the bonds, estimated in the proposed report to be \$117,500, will continue to be a water users' liability. The net effect of the sale of the bonds on repayment of Crooked River project costs by the water users will be small and limited to the amount of interest prior to retirement of the bonds.

Accordingly, I recommend that you approve and adopt this report as your report on the Crooked River project, Oregon, and that you transmit it together with the attached comments to the President and subsequently to the Congress in accordance with the provisions of the Reclamation Project Act of 1939.

Respectfully,

W. A. DEXHEIMER,
Commissioner.

Approved and adopted: January 6, 1956.

DOUGLAS MCKAY,
Secretary of the Interior.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., January 6, 1956.

The PRESIDENT,
The White House,
Washington, D.C.

(Through the Bureau of the Budget.)

MY DEAR MR. PRESIDENT: My report on the Crooked River project, Oregon, is transmitted herewith, pursuant to the provisions of section 9 (a) of the Reclamation Project Act of 1939 (53 Stat. 1187).

This is primarily an irrigation project and will furnish a water supply initially to 20,210 acres of land in addition to providing 51,200 acre-feet of water for deferred irrigation. Other project benefits accrue to flood control, drainage, recreation, and fish and wildlife functions. The general plan provides for regulation of Crooked River flows in the proposed Prineville Reservoir, which when operated in conjunction with the existing Ochoco Reservoir

on Ochoco Creek, will provide the necessary storage to achieve the project purposes.

The economy of the area will be greatly improved as a result of the increased irrigation water supply. The estimated project cost, including \$259,000 for existing Cove power plant facilities, is \$6,598,000. Of this amount, \$5,903,000 is tentatively allocated to irrigation, of which it is estimated that \$2,299,000 could be repaid by the water users in a 50-year period. It is recommended that the remaining reimbursable amount be repaid from surplus power revenues from The Dalles project of the Corps of Engineers. Costs allocated to flood control and fish and wildlife preservation are respectively \$653,000 and \$29,000. These are, in accordance with law, considered nonreimbursable. An amount of \$13,000 is included for minimum recreational facilities, and it is recommended that it also be nonreimbursable. The project is economically justified, with benefits exceeding costs by a ratio of greater than 2 to 1. Considering direct benefits only, the ratio is 1.25 to 1.0. It is strongly supported by local interested persons and it would make an important contribution to irrigation in the area.

The report has been transmitted to officials of the States of the Columbia River Basin and to the Secretary of the Army for their consideration and recommendations as required by the provisions of section 1 (c) of the Flood Control Act of 1944 (58 Stat. 887). It was also sent to the State of Oregon for the comments of the head of the agency exercising administration over the wildlife resources of that State as required by the provisions of the act of August 14, 1946 (60 Stat. 1080), and to the Departments of Agriculture, Commerce, Labor, and Health, Education, and Welfare, and the Federal Power Commission in accordance with interagency agreements. All reviewing agencies, except the States of Idaho and Utah, which would not be affected by the project, and the Department of the Army, have submitted comments, and copies are enclosed with the report. If additional comments are received in the future, they will immediately be sent to you for your consideration.

I shall appreciate having advice concerning the relationship of the Crooked River project to your program before I transmit the report to the Congress for its consideration and appropriate action in accordance with the provisions of the Reclamation Project Act of 1939.

Sincerely yours,

DOUGLAS MCKAY,
Secretary of the Interior.

INCREASE CAPACITY OF FEATURES

An act to amend the act authorizing the Crooked River Federal reclamation project, Oregon, in order to increase the capacity of certain project features for future irrigation of additional lands. (Act of September 14, 1959, 73 Stat. 554, Public Law 86-271.)

SEC. 1. [Capacity increase.] That section 1 of the Act entitled "An Act to authorize construction by the Secretary of Interior of

the Crooked River Federal reclamation project, Oregon," approved August 6, 1956 (70 Stat. 1058), is amended by adding to that section the following: "The Secretary of the Interior is hereby authorized to construct extra capacity in the canal below said reservoir and pumping plants located on the canal for the future irrigation of approximately three thousand acres of land, in addition to the presently proposed development, and to recognize the cost of providing such extra capacity as a deferred obligation to be paid under arrangements to be made at such time as the additional area may be brought into the project."

SEC. 2. [**Appropriation authorized.**] There are hereby authorized to be appropriated such sums, in addition to the sum of \$6,339,000 authorized to be appropriated for the Crooked River Federal reclamation project in section 5 of the Act of August 6, 1956 (70 Stat. 1058), as may be required to carry out the purposes of this Act.

CROOKED RIVER PROJECT EXTENSION

[House Document No. 301, 87th Congress.]

U.S. DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., January 10, 1961.

The SECRETARY OF THE INTERIOR.

SIR: This is my proposed report on the Crooked River project extension, Oregon. It is based on and includes the accompanying report of the regional director at Boise, Idaho, dated March, 1960, and the appended letter from the Fish and Wildlife Service.¹

The Crooked River project extension would provide an adequate water supply for irrigation to 2,890 acres of land, most of which lie adjacent to but at a higher elevation than the Ochoco main canal of the authorized Crooked River project. It is located in Crook County in central Oregon near the city of Prineville. Water supply would be derived from Crooked River and Ochoco Creek as regulated by the Prineville and Ochoco Reservoirs of the multiple-purpose Crooked River project.

The Crooked River project was authorized for construction by the Secretary of the Interior by the act of August 6, 1956 (70 Stat. 1058). Recognizing the probability that the lands proposed for development would be added to the Crooked River project, the Congress by act of September 14, 1959 (73 Stat. 554), authorized the Secretary to construct extra capacity in those canals and pumping plants of the Crooked River project which would be required to serve the project extension. Adequate water supply for this proposal is available through use of a portion of deferred use storage capacity provided in the Prineville Reservoir on Crooked River.

¹ Excluded from this publication.

The Crooked River project extension is essentially a single-purpose irrigation plan. Additional studies of fish and wildlife resources affected by the project will be made after authorization to determine if any modifications are necessary to preserve or enhance these resources. There are no opportunities for developing significant benefits to recreation, flood control, or other purposes.

The plan of development provides for construction of six small pumping plants located along the Crooked River project, enlarged canals and related distribution and drainage facilities. The extension would be constructed and operated as part of the Ochoco Irrigation District.

* * *

The extension is economically justified as demonstrated by benefit-cost ratios of 2.61 to 1 on a 100-year analysis and 2.18 to 1 on a 50-year analysis.

I concur in and adopt the recommendations of the regional director as set forth on page 34 of his report.¹

I recommend that you approve and adopt this report as your proposed report on the Crooked River project extension, Oregon, and that you authorize me in your behalf to transmit copies to the States of the Columbia River Basin and to the Secretary of the Army in accordance with the requirements of the Flood Control Act of 1944 (58 Stat. 887), to the State of Oregon for the views and recommendations of the head of the agency exercising administration over the wildlife resources of that State as provided by the Fish and Wildlife Coordination Act (43 Stat. 401, as amended; 16 U.S.C. 661, et seq.), and to other interested Federal agencies for comments as provided by interagency agreement. Upon receipt of replies in response to these transmittals, copies of the report, together with all comments received, will be submitted for your further consideration and appropriate action.

Respectfully,

FLOYD E. DOMINY,
Commissioner.

Approved and adopted January 12, 1961.

FRED A. SEATON,
Secretary of the Interior.

UNITED STATES DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., May 31, 1961.

The SECRETARY OF THE INTERIOR.

SIR: This is my report on the Crooked River project extension, Oregon. It is based on and includes my proposed report of January 10, 1961, on this project, which was approved and adopted by former Secretary Fred A. Seaton on January 12, 1961.

Copies of the proposed report were transmitted to States of the Columbia River Basin and to the Secretary of the Army on Janu-

¹ Excluded from this publication.

ary 17, 1961, for review, in accordance with section 1(c) of the Flood Control Act of 1944 (58 Stat. 887) and to the State of Oregon for comments from the head of the agency exercising administration over the wildlife resources of that State in accordance with the Fish and Wildlife Coordination Act (43 Stat. 401, as amended; 16 U.S.C. 661, et seq.). Copies of the proposed report were also furnished to agencies represented on the Inter-Agency Committee on Water Resources for their review and comments. Comments have been received from the States of Oregon, Idaho, Nevada, Montana, and Wyoming and from the Federal agencies to which the report was sent. Copies of the comments are attached.

The Governor of the State of Oregon advises that that State approves and supports the project and recommends its authorization and construction. The Governor's letter also contains comments regarding the preservation and propagation of fish and wildlife, which are compatible with the proposed plan.

The Chief of Engineers, Department of the Army, finds that the Crooked River project extension would not conflict with any existing project or plans of the Corps of Engineers.

The other comments received either approved or offered no objection to the potential development. It, therefore, does not appear that revision of the proposed report as a result of the reviews is necessary.

Accordingly, I recommend that you approve and adopt this report as your report on the Crooked River project extension, Oregon, and that you transmit it, together with the attached comments, to the President and subsequently to the Congress, in accordance with the Reclamation Act of 1939.

Respectfully,

N. B. BENNETT, Jr.,
Acting Commissioner.

Approved and adopted July 1, 1961.

JAMES K. CARR,

Acting Secretary of the Interior.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., July 1, 1961.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: My report on the Crooked River project extension, Oregon, is transmitted herewith pursuant to the provisions of section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187).

The Crooked River project is located in Crook County in north-central Oregon, near the city of Prineville. It was authorized for construction by the Secretary of the Interior by the act of August

6, 1956 (73 Stat. 1058). Recognizing the probability that other lands would be added to the project, the Congress, by act of September 14, 1959 (73 Stat. 554), authorized the Secretary to construct extra capacity in those canals and pumping plants which would be required to serve the project extension.

The proposed Crooked River project extension would provide an adequate water supply for irrigation to 2,890 acres of land, most of which lie adjacent to but at a higher elevation than the Ochoco main canal of the Crooked River project. Water supply is to be derived from Crooked River and Ochoco Creek as regulated by the Prineville and Ochoco Reservoirs of the Crooked River project.

The estimated cost of constructing the new facilities proposed in this report is \$995,000, based on January 1959 prices.¹ The costs associated with deferred storage capacity in Prineville Reservoir and the extra project canal and pumping plant capacities, which are chargeable to the Crooked River project extension, are \$645,300. The total investment cost charged to the extension, therefore, is \$1,640,300. This entire amount is allocated to irrigation except for \$1,400 representing the extension's share of the cost of providing fish screens at the diversion point on Crooked River.

The costs allocated to irrigation are reimbursable without interest as provided by reclamation law. As a result of findings made pursuant to section 2(d) of the Fish and Wildlife Coordination Act, the share of the cost of providing fish screens would be nonreimbursable.

It is proposed that repayment of the irrigation costs of the extension be contracted for under the same criteria as the existing Crooked River project contracts. The water users would be able to pay \$347,000 of the irrigation allocation of \$1,638,900 over a 50-year period. The remainder would be derived from power revenues of The Dalles Dam project. Assurances of the willingness of the landowners in the project extension and the Ochoco Irrigation District to accept this repayment plan and to assume the repayment obligations have been received.

The extension is economically justified as demonstrated by a total benefit-cost ratio of 2.61 to 1 for a 100-year period of analysis and 0.93 to 1 using direct benefits only for a 50-year period of analysis.

The report was transmitted to the States of the Columbia River Basin and to the Secretary of the Army for review as required by the Flood Control Act of 1944. It was also sent to the State of Oregon for the comments of the agency exercising administration over the wildlife resources of that State, as provided by the Fish and Wildlife Coordination Act, and to the interested Federal agencies. Copies of all comments received are enclosed with the report.

I recommend that the plan for development and construction of the Crooked River project extension, Oregon, be authorized as set

¹ \$1,132,000 (July 1963 prices).

forth in my report. I shall appreciate having advice concerning the relationship of this proposed development to your program before the report is transmitted to the Congress for its consideration and appropriate action, as provided by the Reclamation Project Act of 1939.

Sincerely yours,

JAMES K. CARR,
Acting Secretary of the Interior.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., November 22, 1961.

Hon. STEWART L. UDALL,
Secretary of the Interior,
Washington, D.C.

DEAR MR. SECRETARY: This will acknowledge Acting Secretary Carr's letter of July 1, 1961, transmitting copies of your report on the Crooked River project extension, Oregon. You request advice as to the relationship of your report to the program of the President.

The extension will provide a water supply to an additional 2,900 acres of lands on the Crooked River project near Prineville, Oreg., utilizing a portion of the deferred storage provided in Prineville Reservoir. The estimated total cost of the extension is \$1,640,300, including the assigned cost of the deferred storage capacity and the excess capacity in the delivery works to serve the main project and the extension. The extension is a single-purpose feature with a modest amount (\$1,400) allocated to fish and wildlife for mitigation of damages.

The original report estimates the benefit-cost ratio for the project to be 0.93 to 1 using a 50-year evaluation period and direct benefits only. However, direct irrigation benefits have been reevaluated using current crop yield data, which results in a favorable benefit-cost ratio of 1.46 to 1. We suggest that the reliability of this reevaluation should be verified by a more complete analysis during planning and prior to the initiation of construction of the project.

Accordingly, the Bureau of the Budget would have no objection to the submission of your proposed report to the Congress. No commitment can be made, however, as to when any estimate of appropriation would be submitted for construction of the proposed project, if authorized by Congress, since this would be governed by the President's budgetary objectives as determined by the then prevailing fiscal situation.

Sincerely yours,

ELMER B. STAATS,
Deputy Director.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., November 30, 1961.

Hon. SAM RAYBURN,
SPEAKER OF THE HOUSE OF REPRESENTATIVES,
Washington, D.C.

DEAR MR. SPEAKER: My report on the Crooked River project extension, Oregon, is transmitted herewith as provided by section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187).

The report presents a plan of development for expanding the irrigated area served by the existing Crooked River project located near the city of Prineville in north-central Oregon. The plan of development is engineeringly feasible and economically justified.

The proposed report on this project was transmitted to the affected States and interested Federal agencies for review as required by law and interagency agreement. Comments have been received from all to which the report was sent except the States of Washington and Utah, which are not directly affected by the proposed development. Copies of the replies received are attached to the report.

The report and copies of the comments received were submitted to the President on July 1, 1961. Enclosed is a copy of letter dated November 22, 1961, from the Deputy Director of the Bureau of the Budget indicating that there would be no objection to the submission of the report to the Congress.

I recommend that construction of the Crooked River project extension, Oregon, be authorized as set forth in my report.

Sincerely yours,

STEWART L. UDALL,
Secretary of the Interior.

AUTHORIZING ACT FOR PROJECT EXTENSION

An act to amend the Act authorizing the Crooked River Federal reclamation project to provide for the irrigation of additional lands. (Act of September 18, 1964, 78 Stat. 954, Public Law 88-598.)

SEC. 1. [Authorization.] That the first section of the Act entitled "An Act to authorize construction by the Secretary of the Interior of the Crooked River Federal reclamation project, Oregon", approved August 6, 1956 (70 Stat. 1058), as amended, is amended by inserting immediately before the period at the end of the first sentence of such section the following: "and the Crooked River project extension, together referred to hereafter as the project. The principal new works for the project extension shall include six pumping plants, canals, and related distribution and drainage facilities".

SEC. 2. [**Appropriation authorized.**] There are hereby authorized to be appropriated for construction of the new works involved in the Crooked River project extension \$1,132,000, plus or minus such amounts, if any, as may be required by reason of changes in the cost of construction work of the types involved therein as shown by engineering cost indexes and, in addition thereto, such sums as may be required to operate and maintain said extension.

SEC. 3. [**Power and energy requirement.**] Supplemental power and energy required for irrigation water pumping for the project shall be made available by the Secretary of the Interior from the Federal Columbia River power system at charges determined by him.

DALTON GARDENS PROJECT

IDAHO

Documentation for the Avondale, Dalton Gardens, and Hayden Lake Pipe Rehabilitation is shown under Rathdrum Prairie Project.

DIXIE PROJECT

UTAH

The Secretary of the Interior's feasibility report on Dixie Project was transmitted to the Congress on March 18, 1963 (H. Doc. No. 86, 88th Cong.) It was authorized by Act of Congress on September 2, 1964 (78 Stat. 848), and was reauthorized by the Colorado River Basin Project Act of September 30, 1968 (82 Stat. 893).

U.S. DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., February 21, 1962.

The SECRETARY OF THE INTERIOR:

SIR: This is my proposed report on the Dixie project, Utah. It is based on and includes the attached ¹ feasibility report of the regional director dated October 1961, and appended reports of the National Park Service, Fish and Wildlife Service, Public Health Service, and the Corps of Engineers.

The Dixie project is a proposed multiple-purpose water resource development in the Virgin River Basin in southwestern Utah. By regulation of flows of the Virgin River and its tributary, the Santa Clara River, the project would provide supplemental irrigation water to 9,445 acres of presently developed land and a full water supply for 11,615 acres of new land. The city of St. George would be provided with 5,000 acre-feet of water annually for municipal and industrial purposes. Construction of three powerplants as proposed in the project plan would produce about 44,500,000 kilowatt-hours of firm electric energy and about 1,900,000 kilowatt-hours of secondary energy for sale annually. In addition, minor flood control benefits would result, as would fish and wildlife and recreation benefits.

Water storage facilities are considered to be the primary need of the Dixie project area. Development of such facilities would provide for the conservation and orderly release of water that is now wasted. A supply of stored water would serve as the foundation upon which to base a revitalized and modernized agricultural development. Such a supply is also essential if any substantial increase in local industry and population growth is to be achieved and maintained.

¹ Excluded from this publication.

Local support for an irrigation project has been very active since the early 1930's. The city of St. George has gone on record as being willing to contract for the municipal and industrial supply and for the energy developed by the project. Support for the Dixie project continues to be forceful at the State level, and the congressional delegation from Utah continues to lend its support at the national level.

The Dixie project would be constructed as two divisions: the Hurricane division and the Santa Clara division. Although these divisions are contiguous and closely related through the economic needs of the area, they have separate water supplies and the project works are not physically connected.

* * *

The estimated total construction cost of the proposed Dixie project is about \$44,868,000, including \$387,000 investigation costs of which \$245,000 are nonreimbursable. This cost is based on October 1960 prices and is still appropriate at present construction price levels. Annual costs for operation, maintenance, and replacements are estimated to be \$297,900, comprised of \$176,400 for irrigation, \$75,900 for power, \$5,200 for municipal and industrial water, \$300 for flood control, \$3,600 for fish and wildlife, and \$36,500 for recreation. Operation and maintenance costs for flood control and fish and wildlife have been assigned to irrigation and offsetting adjustments, amounting to \$195,000, have been made in construction costs and allocated to these purposes.

After making such adjustments, \$31,411,000 of the total estimated construction cost, exclusive of the nonreimbursable investigation costs, is tentatively allocated to irrigation, \$7,675,000 to commercial power, and \$2,609,000 to municipal and industrial uses. The construction cost tentatively allocated to flood control is \$167,000, fish and wildlife is \$2,016,000, and recreation is \$745,000.

Since all of the construction cost allocated to fish and wildlife is for the development and improvement of the resource, and since the benefits which would accrue to the public at large are not readily identifiable with any particular group or groups of beneficiaries, it is found that all of the allocated costs of fish and wildlife would be nonreimbursable in accordance with the Fish and Wildlife Coordination Act. The costs allocated to flood control and recreation would be nonreimbursable as provided by law and in accordance with existing policy.

The reimbursable costs of the Federal investment are as follows: (1) Irrigation, \$31,411,000, reimbursable without interest; (2) power, \$7,675,000 plus \$290,000 interest during construction, to be repaid over a 50-year period with interest; and (3) municipal and industrial water, \$2,609,000 plus \$128,000 interest during construction, which is also to be repaid with interest.

* * *

The proposed plan of development, as presented herein, is engineeringly feasible and economically justified. An economic evaluation of this proposed development for a 100-year period of analy-

sis indicates that the total estimated annual benefits for the project would exceed the average annual equivalent cost in the ratio of 2.1 to 1.

I concur in and adopt the recommendations of the regional director as set forth on pages 116 through 117 of this report.

I recommend that you approve and adopt this report as your proposed report on the Dixie project, Utah, and that you authorize me on your behalf to transmit copies to the States of the Colorado River Basin and to the Secretary of the Army for review as required by the act of December 22, 1944 (58 Stat. 887); to the State of Utah, as required by the Fish and Wildlife Coordination Act (48 Stat. 401, as amended; 16 U.S.C. 661, et seq.); and to the other interested Federal agencies in accordance with interagency agreement.

Respectfully,

FLOYD E. DOMINY,
Commissioner.

Approved and adopted March 8, 1962.

STEWART L. UDALL,
Secretary of the Interior.

U.S. DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., July 2, 1962.

The SECRETARY OF THE INTERIOR:

SIR: This is my report on the Dixie project, Utah. It is based on and includes our proposed report of February 21, 1962, which you approved and adopted on March 8, 1962, as your proposed report.

Copies of the proposed report were transmitted on March 9, 1962, to the affected States of the Colorado River Basin (Utah, Arizona, California, Colorado, Nevada, New Mexico, and Wyoming) and to the Secretary of the Army for review as required by the Flood Control Act of 1944. In accordance with the Fish and Wildlife Coordination Act, the report was also sent to the State of Utah for comments from the head of the agency exercising administration over the wildlife resources of the State. In addition, copies were sent to the Federal agencies represented on the Inter-Agency Committee on Water Resources. Comments have been received from all of the recipients. Copies of the comments received are attached ¹ to and made a part of the report. Except for certain reservations as discussed below, all the comments received are favorable or offer no objection to the proposal.

The State of Utah endorses the proposed plan of development without reservation and urges the early and favorable consideration by the Congress. To assure realization of the project, the State is prepared to underwrite the cost of relocating State Highway No. 15 in the vicinity of the proposed Virgin Dam and Reser-

¹ Excluded from this publication.

voir if this increment of cost would adversely affect the feasibility of the project, even though it considers the relocation cost to be an appropriate charge against the project. The State advises that it has caused to be filed, and will make available to the project, water rights covering the proposed development, and that its department of fish and game concurs with the report of the Bureau of Sport Fisheries and Wildlife. It also advises that the proposed Dixie project is in complete harmony with the comprehensive development plans of the State and would complement the extensive investment the State has made in the project area for water development. Utah further states that extensive discussions have been held with the States of Arizona and Nevada relative to the effects of this project, resulting in its belief that the project will improve conditions on the lower reaches of the Virgin River and that this project and other developments can proceed in a cooperative manner.

The State of Nevada feels that the project is a worthy one and that it is engineeringly sound. The State's calculations indicate that under the Dixie project operations, with annual stream depletion in Utah limited to an estimated 120,000 acre-feet, there would be sufficient water to satisfy all present water requirements for the lands irrigated from the Virgin River in Nevada. Nevada is willing to accept the estimated stream depletions in Utah; however, in view of the fact that no formal agreement exists among Utah, Nevada, and Arizona on the distribution of the water of the Virgin River, it feels that the essential provisions of an agreement made in 1960 in developing the basis for a proposed compact among those States should be included in the language of the law which authorizes construction of the project. Nevada recognizes that the physical removal of the water and salts of the La Verkin Springs presents a real problem. It feels, however, that a solution which would minimize the effects of the salt load in this water without physical removal of the water and salt, and which would be acceptable to the water users in Nevada, can be found. It has thus indicated that, with the effects of the salt load of the water of La Verkin Springs removed, the project would have no unfavorable results to Nevada. :

The State of Arizona favors authorization of the project substantially in accordance with the plans set forth in the proposed report, subject to two reservations: (1) that it is possible that the rights of the states of Utah, Arizona, and Nevada may be affected by the decree of the Supreme Court in the case of *Arizona v. California, et al.*, and (2) that agreement as to the amount of compensation or protection to be afforded lands located in Arizona that might be adversely affected by the project would have to be negotiated with the individuals holding the involved Arizona water rights.

The State of California did not comment specifically on the plan of development presented in the report but addressed its views primarily to consideration of water rights, water supply, and utilization inventory. California recommended that no new

projects in the Colorado River Basin be authorized until (1) the U.S. Supreme Court renders a final decision in the *Arizona v. California* suit and (2) the Secretary of the Interior prepares and submits to Congress an inventory of the water supplies and water uses in the Colorado River Basin, and for each State therein, that is in sufficient detail to demonstrate that enough uncommitted water exists to meet project requirements. The State also suggested that a current inventory should be included in each report that seeks authorization of a new project in the Colorado River Basin.

In view of the apparent agreement among the directly affected States (Utah, Nevada, and Arizona) regarding the division of the water of the Virgin River, which flows through those three States only, and because we are of the view that authorization and construction of the Dixie project would contribute to balanced development of lower basin water resources, we do not believe that congressional consideration of authorization of the project need be deferred. As desired by Nevada, the essential provisions of the 1960 agreement could be made a part of the authorizing act.

The remaining States of the Colorado River Basin—Colorado, New Mexico, and Wyoming—indicated that they have no objection to the proposed project.

The Chief of Engineers, Department of the Army, advises that the proposed project would not conflict with any existing project or plans of the Corps of Engineers. In his letter of comment, the Chief of Engineers suggested that consideration be given to the initiation of planning for the use of flood plain land, which would provide appropriate safeguards to future residents of the areas and that it would be desirable that the local interests be aware of the effects of the gradually decreasing amounts of flood control to be achieved by the project due to siltation of the reservoir. Consideration will be given to these matters during advance planning of the project following authorization of its construction.

The Federal Power Commission concludes that hydroelectric power development, generally as planned in the report, is a desirable feature of the project. Its staff suggests that the flexibility and dependability of operation of the proposed Bench Lake powerplant on Hurricane Canal would be improved if small upper and lower regulating ponds were provided similar to those planned for the Warner powerplant. This suggestion also will be considered further during advance planning of the project.

As suggested in the comments of the Department of Commerce, the State of Utah has been informed that Federal-aid highway funds cannot participate in the financing of the relocation of the aforementioned State Highway No. 15 to the standards we would ordinarily use if the relocation were to be a project cost, but that such funds could participate in the cost of further improvements that the State might wish to incorporate into the work.

The other Federal agencies either endorse or have no objections to the project. Revision of our proposed report as a result of

these reviews does not appear to be necessary. Accordingly, I recommend that you approve and adopt this as your report on the development of the Dixie project, Utah, and that you transmit it, together with the attached ¹ comments, to the President and subsequently to the Congress, as provided by the Reclamation Project Act of 1939.

Respectfully,

FLOYD E. DOMINY,
Commissioner.

Approved and adopted July 19, 1962.

JOHN A. CARVER, JR.,
Acting Secretary of the Interior.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., July 19, 1962.

The PRESIDENT,
The White House,
Washington, D.C.

THROUGH BUREAU OF THE BUDGET.

DEAR MR. PRESIDENT: My report on a plan of development for the Dixie project, Utah, is transmitted herewith as provided by section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187).

The Dixie project is a potential water resource development in the Virgin River Basin in southwestern Utah. The report and its accompanying documents find that this proposed multiple-purpose project has engineering feasibility and is economically justified.

Construction of water storage facilities as contemplated would provide for the conservation and orderly release of water that is now largely wasted. The reserve of stored water, thus provided, would serve as the foundation upon which to base a renaissance of agricultural development as well as to provide needed municipal water supplies. In anticipation of authorization of the Dixie project, the local interests are formalizing a water conservancy district to contract for the sale of water and the repayment of reimbursable project costs.

My proposed report was transmitted to the affected States and interested Federal agencies for review on March 9, 1962, as required by law and interagency agreement. Comments have been received from all the States of the Colorado River Basin, and all of the interested Federal agencies. Copies of the letters received are attached to the report.

I recommend that the plan of development for the Dixie project, Utah, be authorized as set forth in the report. I shall appreciate your advice concerning the relationship of the Dixie project to your program before I transmit the report to the Congress for

¹ Excluded from this publication.

its consideration and appropriate action, as provided in the Reclamation Project Act of 1939.

Sincerely yours,

JOHN A. CARVER, Jr.,
Acting Secretary of the Interior.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., March 7, 1963.

Hon. STEWART L. UDALL,
Secretary of the Interior,
Washington, D.C.

DEAR MR. SECRETARY: This will acknowledge Acting Secretary Carver's letter of July 19, 1962, transmitting your proposed report on the Dixie project, Utah, and requesting advice as to the relationship of the proposed project to the program of the President.

There would be no objection to the submission of your proposed report to the Congress. No commitment, however, can be made as to when any estimate of appropriation would be submitted for the project since this would be governed by the President's budgetary objectives as determined by the then prevailing fiscal situation.

Sincerely yours,

ELMER B. STAATS,
Deputy Director.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., March 18, 1963.

Hon. JOHN W. MCCORMACK,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: As provided by section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187), transmitted herewith is my report on the Dixie project, Utah.

The report presents a plan of development for a proposed water resource development in the Virgin River Basin, in southwestern Utah. The plan of development is engineeringly feasible and economically justified.

My proposed report on this project was transmitted to the States of the Colorado River Basin, the Secretary of the Army, and the interested Federal agencies for review as required by law and interagency agreement. Comments have been received from all of the recipients of the report and copies of their letters are attached to the report.

The report and copies of the comments received were submitted

to the President on July 19, 1962. Enclosed is a copy of a letter dated March 7, 1963, from the Deputy Director of the Bureau of the Budget advising that there would be no objection to the submission of the report to the Congress.

I recommend that construction of the Dixie project, Utah, be authorized.

Sincerely yours,

STEWART L. UDALL,
Secretary of the Interior.

AUTHORIZING ACT

An act to authorize the Secretary of the Interior to construct, operate, and maintain the Dixie project, Utah, and for other purposes. (Act of September 2, 1964, 78 Stat. 848, Public Law 88-565.)

SEC. 1. [**Construction authorization.**] That, for the purposes of developing the water resources of the Virgin and Santa Clara Rivers, including the furnishing of municipal and industrial water supplies, the furnishing of an irrigation water supply to approximately twenty-one thousand acres of land, the control of floods, the generation and sale of electric energy, the conservation and development of fish and wildlife resources, and the enhancement of recreation opportunities, the Secretary of the Interior is authorized to construct, operate, and maintain the Dixie project, Utah. The project shall consist of the Virgin City Dam and Reservoir, tunnels, canals, siphons, pumping plants, and other works necessary to serve irrigated and irrigable lands along and adjacent to the Virgin River; a dam on the Santa Clara River near Gunlock, Utah, and other works necessary to serve irrigated and irrigable lands along and adjacent to the Santa Clara River and on Ivins Bench; and hydroelectric plants and transmission facilities at the Virgin City Dam and at such other points as are desirable. The Dixie project shall be coordinated with the Cedar City water development program which includes the diversion of the waters of Crystal Creek into the Kolob Reservoir, and after completion of the Dixie project said waters of Crystal Creek and of the natural watershed of Kolob Reservoir shall be exported for use of Cedar City and vicinity in accordance with an agreement entered by Cedar City and Iron County, Utah, on the 26th day of August 1953, with Kolob Reservoir and Storage Association, Incorporated, and Washington County, Utah.

SEC. 2. [**Water quality.**] The project shall include such measures for the disposition of saline waters of La Verkin Springs as are necessary in the opinion of the Secretary to insure the delivery of water at downstream points along the Virgin River for water users in the States of Arizona and Nevada of suitable quality for irrigation, or provision shall be made to indemnify such water users for any impairment of water quality for irrigation purposes directly attributable to Dixie project operations.

SEC. 3. [Federal Reclamation laws govern.] In constructing, operating, and maintaining the works authorized by this Act, the Secretary shall be governed by the Federal reclamation laws (Act of June 17, 1902 (32 Stat. 388), and Acts amendatory thereof or supplementary thereto), except as is otherwise provided in this Act.

SEC. 4. [Construction. Commencement.] Construction of the project shall not be commenced until there shall be established a conservancy district or similar organization with such powers as may be required by the Secretary, these to include powers to tax both real and personal property within the boundary of the district and to enter into contracts with the United States for the repayment of reimbursable costs.

SEC. 5. [Interest rate.] The interest rate to be used for purposes of computing interest during construction and interest on the unpaid balance of those portions of the reimbursable costs which are properly allocable to commercial power development and municipal and industrial water supply shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which this bill is enacted, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations, which are neither due nor callable for redemption for fifteen years from date of issue. If the interest rate so computed is not a multiple of one-eighth of 1 per centum the rate of interest to be used for these purposes shall be the multiple of one-eighth of 1 per centum next lower than the rate so computed. The portions of the costs which are allocable to commercial power development and to municipal and industrial water supply shall be repaid over a period of fifty years with interest at the rate determined in accordance with this section. The portion of the cost which is allocable to irrigation shall be repaid, pursuant to reclamation law, within fifty years plus any authorized development period.

SEC. 6. [Public recreation.] The Secretary is authorized in connection with the project to construct, operate, and maintain or otherwise provide for the basic public outdoor recreation facilities, to acquire or otherwise to include within the project area such adjacent lands or interests therein as are necessary for public recreation use, to allocate water and reservoir capacity to recreation, and to provide for the public use and enjoyment of project lands, facilities, and water areas in a manner coordinated with other project purposes. The Secretary is authorized to enter into agreements with Federal agencies or State or local public bodies for the operation, maintenance, and additional development of project lands or facilities, or to dispose of project lands or facilities to Federal agencies, or State or local public bodies by lease, transfer, conveyance, or exchange, upon such terms and conditions as will best promote the development and operation of such lands or facilities in the public interest for recreation purposes. The costs of the aforesaid undertakings, and the costs of the project allocated to fish and wildlife enhancement, including

costs of investigation, planning, Federal operation and maintenance, and an appropriate share of joint costs of the project shall be nonreimbursable. Nothing herein shall limit the authority of the Secretary granted by existing provisions of law relating to recreation development of water resource projects, or disposition of public lands for recreational purposes.

SEC. 7. [**Control of water diverted for project.**] The use of all water diverted for this project from the Colorado River system shall be subject to and controlled by the Colorado River compact, the Boulder Canyon Project Act (45 Stat. 1057; 43 U.S.C. 617t), and the Mexican Water Treaty (Treaty Series 994) (59 Stat. 1219).

SEC. 8. [**Appropriation authorized.**] There is hereby authorized to be appropriated for the construction of the Dixie project, the sum of \$42,700,000, plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indexes applicable to types of construction involved therein, and, in addition thereto, such sums as may be required to operate and maintain said project.

REAUTHORIZATION ¹

[Extract from] An act to authorize the construction, operation, and maintenance of the Colorado River Basin project, and for other purposes. (Act of September 30, 1968, 82 Stat. 885 and 893, Public Law 90-537.)

SEC. 307. [**Dixie project, integration.**] The Dixie Project, heretofore authorized in the State of Utah, is hereby reauthorized for construction at the site determined feasible by the Secretary, and the Secretary shall integrate such project into the repayment arrangement and participation in the Lower Colorado River Basin Development Fund established by title IV of this Act consistent with the provisions of the Act: *Provided*, That section 8 of Public Law 88-565 (78 Stat. 848) is hereby amended by deleting the figure "\$42,700,000" and inserting in lieu thereof the figure "\$58,000,000".

¹ The authorized appropriation for the Dixie Project was \$42,700,000. Indexed to current (January 1968) prices, this would provide a cost ceiling for the project of \$53,518,400. The amendment provides a new cost ceiling of \$58 million enabling a reservoir with 100 years or more of useful life to be provided.

FORT PECK PROJECT

MONTANA-NORTH DAKOTA

ACQUISITION OF INDIAN LANDS ¹

An act for the acquisition of Indian lands required in connection with the construction, operation, and maintenance of electric transmission lines and other works, Fort Peck project, Montana. (Act April 23, 1946, 60 Stat. 118, Public Law 79-353.)

SEC. 1. [Acquisition of Indian Lands.] That in aid of the construction of the Fort Peck project, there is hereby granted to the United States, subject to the provisions of this Act, such right, title, and interest of the Indians as may be required in and to such tribal and allotted lands as may be designated by the Secretary of the Interior from time to time for the construction, operation, and maintenance of electric transmission lines and other works of the project or for the relocation or reconstruction of properties made necessary by the construction of the project. (16 U.S.C. 833.)

SEC. 2. [Secretary to determine compensation—Funds credited to tribe or allottees.] As land or interests in lands are designated from time to time under this Act, the Secretary of the Interior shall determine the amount of money to be paid to the Indians as just and equitable compensation therefor. The amounts due the tribe and the individual allottees or their heirs or devisees shall be paid from funds now or hereafter made available to the Department of the Interior for the Fort Peck project to the superintendent of the appropriate Indian agency, or such other officer as may be designated by the Secretary of the Interior, for credit on the books of such agency to the account of the tribe and the individuals concerned. (16 U.S.C. 833m.)

SEC. 3. [Use of funds deposited to credit allottees—Status of acquired lands.] Funds deposited to the credit of allottees, their heirs, or devisees may be used, in the discretion of the Secretary of the Interior, for the acquisition of other lands and improvements, or the relocation of existing improvements or construction of new improvements on the lands so acquired for the allottees or heirs whose lands and improvements are acquired under the provisions of this Act. Lands so acquired shall be held in the same status as those from which the funds were derived, and shall be nontaxable until otherwise provided by Congress. (16 U.S.C. 833n.)

SEC. 4. [Authority to prescribe regulations.] The Secretary of the Interior is hereby authorized to perform any and all acts and

¹ Omitted from 1957 edition.

to prescribe such regulations as he may deem appropriate to carry out the provisions of this Act. (16 U.S.C. 833o.)

SEC. 5. [**Reverter to Fort Peck Indian Tribes.**] All designations of Indian lands pursuant to this Act shall be made subject to the condition that in the event any such lands shall no longer be required for the purposes for which they were designated, then the right, title, or interest so acquired in lands so designated shall revert to the United States in trust for the Fort Peck Indian Tribes. (16 U.S.C. 833p.)

FRYINGPAN-ARKANSAS PROJECT

COLORADO

The feasibility report on the Fryingpan-Arkansas project was transmitted by the Secretary of the Interior to the Congress on June 9, 1963 (H. Doc. 187, 83rd Cong.). A supplemental report on Ruedi Dam and Reservoir was transmitted to Congress on March 4, 1960 (H. Doc. 353, 86th Cong.). Construction was authorized by Act of Congress on August 16, 1962 (76 Stat. 389).

U.S. DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington 25, D.C., September 11, 1951.

The SECRETARY OF THE INTERIOR:

SIR: This is my report on the Fryingpan-Arkansas project, Colorado, formerly called the initial development, Roaring Fork diversion, Gunnison-Arkansas project.

In your behalf, copies of the report on this project, which you approved and adopted as your proposed report on May 4, 1951, were sent to the Secretary of the Army and to designated officials of the States of Arizona, California, Colorado, Kansas, Nevada, New Mexico, Oklahoma, Utah, and Wyoming for their views and recommendations in accordance with the provisions of section 1 of the Flood Control Act of 1944 (58 Stat. 887), and to the Governor of Colorado for the report and recommendations of the head of the agency exercising administration over the wildlife resources of the State of Colorado in accordance with the requirements of the act of August 14, 1946 (60 Stat. 1080). Copies of the proposed report were sent also to the Federal Power Commission, the Departments of Agriculture and Commerce, the Corps of Engineers, and the Public Health Service for their comments. Copies of the written views of the States and of the Federal agencies which have been received in response to these transmittals are attached¹ with a copy of your proposed report.

The reviewing officials of Colorado, which is the State directly affected, concur in the findings of the project report that the products and services which this proposed development would provide or make possible are greatly needed and that the project is engineeringly feasible, economically justified, and financially feasible. They approve the proposed development conditioned upon compliance with the operating principles set forth in the report and full recognition of and compliance with certain por-

¹ Excluded from this publication.

tions, quoted in Colorado's letter of comments, of the report of the Colorado Water Conservation Board's policy and review committee as it was approved by the board on February 22, 1951. We approve of the proposed operating principles and have every intention of complying with them if and when the project is authorized, constructed, and in operation. Colorado objects to the name heretofore given the project and recommends that it be known and referred to as the Fryingpan-Arkansas project. As this development is designed as a self-contained unit and its construction would not imply a commitment to develop future water supplies in the Gunnison River Basin for diversion to the Arkansas River Basin, as the diversion is from the Fryingpan River to the Arkansas River, and in view of the desires of the State of Colorado, I recommend that this proposed development, identified in your proposed report as the initial development, Roaring Fork diversion, Gunnison-Arkansas project, be hereafter known as the Fryingpan-Arkansas project.

The State of Kansas, which is a party to the Arkansas River compact and has a strong interest in any proposed development and use of the water of that stream, has no objection to the development as set forth in the project report.

The States of Arizona, California, Utah, and Wyoming have no objection to the authorization and construction of this project.

The Public Health Service suggests revision of statements relative to water pollution in the Arkansas River Valley. As these revisions are based on data compiled in recent joint studies by the Public Health Service and the State of Colorado, I have no objection to this suggestion and recommend that, by this reference, the report be considered modified as suggested by the Public Health Service in its attached letter of comments.¹

Other comments have been made which are set forth in the attached digest.¹ The 90-day period specified by law for receipt of comments on this report expired on August 16, 1951. Submittal of the report to you was deferred until now in anticipation that additional comments would be received. If other comments are received, they will be forwarded to you.

After consideration of all comments received, I recommend that your proposed report be modified only as set forth above; that you adopt as your final report on the Fryingpan-Arkansas project the report which you approved and adopted as your proposed report on May 4, 1951, with the above modifications; and that you transmit it, together with copies of the attached comments,¹ to the President and, subsequently to the Congress in accordance with the provisions of the Reclamation Project Act of 1939.

Respectfully,

MICHAEL W. STRAUS,
Commissioner.

Approved and adopted: October 19, 1951.

OSCAR L. CHAPMAN,
Secretary of the Interior.

¹ Excluded from this publication.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington 25, D.C., October 19, 1951.

The PRESIDENT,
The White House
(Through Bureau of the Budget).

MY DEAR MR. PRESIDENT: My report on the Fryingpan-Arkansas project, Colo., is transmitted herewith pursuant to section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187).

The waters of the Arkansas River in the upper Arkansas River Basin are overappropriated, resulting in serious loss in crop production on presently irrigated farmland. Stabilized agricultural economy in the area requires supplemental water supplies. Additional quantity and better quality of domestic and municipal water is critically needed in the Arkansas Valley, Colo. There is a need for additional electric energy in the project power-market area and normal uses of electric energy would expand rapidly if not restricted by a limited supply. Floods in the upper Arkansas Valley threaten the loss of property and discourage investment. Sediment and pollution control are needed. The most pressing and immediate needs of the upper Arkansas River Basin can be met by the Fryingpan-Arkansas project which is herein recommended for authorization and construction.

The report has been transmitted to the States of the Colorado River Basin, to the States of Kansas and Oklahoma, and to the Secretary of the Army for their views and recommendations as required by the provisions of the Flood Control Act of 1944 (58 Stat. 887); to the State of Colorado for the comments of the head of the agency exercising administration over the wildlife resources of the State, as required by the provisions of the Act of August 14, 1946 (60 Stat. 1080); and to the Departments of Agriculture and Commerce, the Federal Power Commission, the Corps of Engineers, and the Public Health Service, in accordance with interagency agreements. Copies of all the comments received are enclosed with the report.

I shall appreciate having advice concerning the relationship of this proposed project to your program before I transmit the report to the Congress for its consideration and appropriate action in accordance with the provisions of the Reclamation Project Act of 1939.

Sincerely yours,

OSCAR L. CHAPMAN,
Secretary of the Interior.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., April 30, 1953.

The PRESIDENT,
The White House
(Through the Bureau of the Budget).

MY DEAR MR. PRESIDENT: On October 19, 1951, my predecessor

in office submitted his report on the Fryingpan-Arkansas project, Colorado, a multiple-purpose project for partial development of the water resources of the upper Arkansas River Basin and involving transmountain diversion of water from the Roaring Fork River, a tributary of the Colorado. By letter of January 27, 1953, Budget Director Dodge called my attention to this report, among others, and asked that it be reviewed to determine whether it conforms to the present program of the Department of the Interior, and whether any modification or revision should be made.

The report, as previously submitted, recommended immediate authorization for the construction and operation of a system of reservoirs, canals, tunnel, diversion dams, powerplants, and municipal water supply facilities for irrigation and municipal water supply, flood control, power, sediment control, stream pollution abatement, and preservation and propagation of fish and wildlife.

After review of the report and study of the data and information presently available, I have determined that no modification in the plan of development is required. However, the recommendations in the report are hereby modified to recommend, instead of the application of the so-called interest component as heretofore contemplated, the return of that part of the construction cost of the project which is allocated to irrigation and assigned to be repaid from net power and municipal water revenues subsequent to the repayment of the commercial power and municipal water investments—these latter investments to bear interest, on the unamortized balances, at a rate equal to the average rate paid by the United States on its long-term loans outstanding at the date of authorization of the project. We do not favor the use of the so-called interest component as an aid in paying out the irrigation costs of this project.

The repayments and economic analyses have been revised to reflect the increased costs since the basic report was prepared. Summaries of these revised studies are enclosed.¹ The repayment analysis includes, as a part of the construction cost to be repaid, interest during construction on power and municipal water investments. In the economic analysis the power benefits are calculated on the basis of the value of power in the area and an analysis by functions is included.

The estimated cost of the Fryingpan-Arkansas project is \$172,898,000 at January 1953 price levels. If the allocations are revised to incorporate the increased costs and the repayment plan is set up on the alternative basis hereinbefore suggested, with an interest rate estimated at 2.5 percent, return of irrigation costs which exceed those that can be repaid by the water users themselves could be accomplished in an overall period of 69 years or 17 additional years after the power investment is returned and 6 years after the municipal water investment is returned.

The revised economic analysis indicates that the benefits from construction of the project would exceed the costs in a ratio of 1.48 to 1.00 and that the inclusion of all functions is justified.

¹ Excluded from this publication.

Supplemental water supplies, both for irrigation and for municipal use, are sorely needed in the Arkansas River Basin. Serious losses occur annually in crop production on presently irrigated farmland while the need for additional and better quality municipal water is fast becoming critical. Protection is needed against floods which result in extensive damages in the upper Arkansas Valley. Also, there is a need in the area for the electric energy from the project and normal uses for electricity would expand rapidly if not restricted by a limited supply.

This project and the report as herein modified conform to my program. Therefore, I transmit, pursuant to section 9(a) of the Reclamation Project Act of 1939, this report which incorporates the report of the previous Secretary of the Interior and the comments of the affected States and Federal agencies as my report on the Fryingpan-Arkansas project.

I shall appreciate receiving advice concerning the relationship of this project to your program before I transmit the report to the Congress in accordance with the provisions of the Reclamation Project Act of 1939.

Sincerely yours,

DOUGLAS MCKAY,
Secretary of the Interior.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., June 8, 1953.

The Honorable the SECRETARY OF THE INTERIOR.

MY DEAR MR. SECRETARY: Receipt is acknowledged of your letter of April 30, 1953, submitting your revised report on the Fryingpan-Arkansas project, Colorado, and requesting advice as to its relationship to the program of the President.

This proposed multipurpose project would provide irrigation, power, flood control, municipal water, and other benefits. The plan contemplates several small powerplants and a system of canals, reservoirs, and tunnels to divert water from the western to the eastern slope of the Continental Divide and to produce better control and utilization of upper Arkansas River water.

The estimated cost is \$172,898,000, of which \$75,128,000 is allocated to irrigation, \$41,945,000 to power, \$32,654,000 to municipal water supply—reimbursable items—and \$20,341,000 to flood control and \$2,830,000 to fish and wildlife—nonreimbursable items. The benefit-cost ratio is stated as 1.48 to 1.00.

The repayment plan contemplates that the power and municipal water-supply investments would be entirely repaid with interest at 2½ percent in 53 and 63 years, respectively, or within 50 years after all facilities are placed in operation. The plan also contemplates that the irrigation investment would be returned without interest over a period of 69 years, in part from payments by irrigation-water users and in part by revenues from

power and municipal water supply after these latter investments are fully repaid. The irrigators would repay \$622,000 annually for 69 years, based on an ad valorem tax of 1 mill and payments ranging from \$5.40 per acre-foot for water diverted from the Colorado River Basin to \$2.25 per acre-foot for reregulated Arkansas River winter flow. Irrigators now have prior water rights to the Arkansas River winter flow at no cost.

This office believes that a reasonable basis for appraising the repayment of Federal irrigation projects should be not more than 50 years, and that this would be consistent with the general practice of most Federal agencies in determining the economic evaluation and financial feasibility of water resources developments. On the basis of a 50-year repayment and the Department of the Interior's estimate of the water users' ability to repay, the water users would return \$31,100,000 of the \$75,128,000 allocated to irrigation, leaving unpaid at the end of 50 years \$44,028,000, or 60 percent of the estimated construction cost. Thus, the water users would have paid \$100 per acre out of a total investment of \$243 per acre.

The proposed project report, on the other hand, contemplates repayment by the water users within 69 years rather than 50 years. During the additional 19 years, the above-mentioned balance of \$44,028,000 would be repaid. Irrigators would pay \$11,818,000, and the remainder of the unpaid construction cost amounting to \$32,210,000 would be met from revenues on power and municipal water supply. As noted above, the allocation of costs to power and municipal water supply, under the proposed project, would be fully repaid with interest within 50 years after completion of all facilities. Revenues derived after the 50 years would be used to show repayment of the irrigation investment.

Federal and State agencies, in commenting on the original project report, questioned (1) the high cost of a limited supply of supplemental irrigation water, (2) the ability of the water users to repay annually as much of the irrigation costs as proposed, and (3) the ultimate amount of transmountain diversion and its effect on the quality and use of Colorado River water available to the lower basin. Notwithstanding the substantial increases in the estimated project costs and the greater estimate of the ability of the irrigators to repay, as shown in the revised report as compared with the original report, the comments of the States and Federal agencies have not been furnished on the revised report.

Approximately 63 percent of the irrigation benefits of the project are of an indirect character, consisting of additional business from increased purchases, marketing, and processing activities. Without these indirect benefits the project over a period of 50 years would not show a favorable benefit-cost ratio. While this office recognizes that there are definite indirect benefits, we believe that they should not be assigned a monetary value and should not be relied upon for the primary justification of a project. It is our understanding that this is in accord with your present views.

In the consideration of irrigation projects, it should be noted that, under existing law, the interest cost on the irrigation investment is not charged to the water users but is borne by the Federal Government. In the case of the Fryingpan-Arkansas project, the average annual interest cost on the irrigation investment during the first 50 years would amount to about \$1,500,000, on the basis of simple interest at $2\frac{1}{2}$ percent, or approximately \$5 per acre per year.

As indicated by the comments of the Department of Agriculture on the original report, under dates of October 10, 1951, and May 23, 1952, in view of the obvious high cost of importing water from the Colorado River Basin, a separate evaluation should be made of the feasibility of importing water from the Colorado River Basin, considered as an incremental addition rather than an integral part of the project. Furthermore, there is no evidence in the report indicating a willingness by the irrigators to repay the proposed charges for an average annual supplemental water supply of about one-half acre-foot per acre.

Plans for municipal water supplies appear doubtful because of the high water rates, optimistic estimates of average water deliveries, and uncertainty of including all proposed facilities and functions in the ultimate plans. We also believe that costs of correcting damages to fish and wildlife resources caused by the building of the project should be treated as part of the construction costs and allocated to the various purposes in the same manner as other damages, including relocations.

Our review indicates that further study of various aspects of the project might be warranted. If, however, you deem it advisable, particularly in the light of the committee's desire for an early hearing, there would be no objection to the transmittal of the report, together with a copy of this letter, for the consideration of the Congress.

Sincerely yours,

ROLAND HUGHES,
Assistant Director.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., June 9, 1953.

Hon. JOSEPH W. MARTIN, Jr.,
Speaker of the House of Representatives,
Washington, D.C.

MY DEAR MR. SPEAKER: My report on the Fryingpan-Arkansas project, Colorado, is transmitted herewith pursuant to section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187).

The waters of the Arkansas River in the upper Arkansas River Basin are overappropriated, resulting in serious loss in crop production on presently irrigated farmland. Stabilized agricultural

economy in the area requires supplemental water supplies. Additional quantity and better quality of domestic and municipal water is critically needed in the Arkansas Valley, Colo. There is a need for additional electric energy in the project power-market area, and normal uses of electric energy would expand rapidly if not restricted by a limited supply. Floods in the upper Arkansas Valley threaten the loss of property and discourage investment. Sediment and pollution control are needed. The most pressing and immediate needs of the upper Arkansas River Basin can be met by the Fryingpan-Arkansas project, which is herein recommended for authorization and construction.

The report has been transmitted to the States of the Colorado River Basin, to the States of Kansas and Oklahoma, and to the Secretary of the Army, for their views and recommendations as required by the provisions of the Flood Control Act of 1944 (58 Stat. 887); to the State of Colorado for the comments of the head of the agency exercising administration over the wildlife resources of the State, as required by the provisions of the act of August 14, 1946 (60 Stat. 1080); and to the Departments of Agriculture and Commerce, the Federal Power Commission, the Corps of Engineers, and the Public Health Service, in accordance with interagency agreements. Copies of all the comments received are enclosed with the report.

The report and the comments received were submitted to the President, and the Bureau of the Budget has advised that there would be no objection to the submittal of the report to the Congress. A copy of Assistant Budget Director Rowland Hughes' letter of June 8, 1953, is attached.

Sincerely yours,

RALPH A. TUDOR,
Acting Secretary of the Interior.

RUEDI DAM AND RESERVOIR

[House Document No. 353, 86th Cong.]

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., February 25, 1960.

The PRESIDENT,
The White House
(Through the Bureau of the Budget).

DEAR MR. PRESIDENT: My report on a plan of development for Ruedi Dam and Reservoir, Colo., is submitted herewith in accordance with the Reclamation Project Act of 1939. It is a supplement to the report on the Fryingpan-Arkansas project which was printed as House Document 187, 83d Congress. Ruedi Dam and Reservoir is proposed as a substitute for Aspen Dam and Reser-

voir which was originally proposed as a feature of the Fryingpan-Arkansas project.

Adoption of Ruedi Dam and Reservoir as the replacement facility for the Fryingpan-Arkansas project, in lieu of Aspen Dam and Reservoir, will accomplish two important purposes. Substantial benefits will accrue to water users and other interests on the western slope of the Continental Divide as well as on the eastern slope. The conditions at the site permit development of a much larger reservoir, thereby providing for the west slope interests an assured water supply which may be used for irrigation, for municipal water supply, for water needed to support an oil shale recovery industry, or for other purposes. The fish and wildlife and recreational benefits of the reservoir will be substantial, and the reservoir will impound floodwaters which otherwise would cause damage downstream.

This report is designed primarily to demonstrate the justification for building Ruedi Dam and Reservoir to a greater capacity than would be necessary solely to perform the replacement storage function for the Fryingpan-Arkansas project. For this reason, only that portion of the cost which is in excess of the cost previously justified for replacement storage is considered chargeable to the western slope uses.

In the absence of firm requirements for the water so developed at this time, and without prejudice to future use of the water for irrigation if that use should develop first, the conservation storage capacity is allocated to municipal and industrial water supply. The report establishes, and supplementary documents including a letter from the Department of the Navy confirm, that an oil shale industry and affiliated uses, when established in western Colorado, will require a great deal more water than is available without storage regulation. Since the date of need for such water is uncertain, the provisions of the Water Supply Act of 1958 (Public Law 85-500) were used to permit provision of storage for deferred use. The State of Colorado is willing to give assurance required by that act that repayment of the costs allocated to that use will be forthcoming.

My proposed report was coordinated with the affected States and Federal agencies as required by law and interagency agreement. Copies of the review comments received as a result of that coordination are made part of the report.

I recommend that Ruedi Dam and Reservoir be authorized and built as a feature of the Fryingpan-Arkansas project, which you have previously recommended to the Congress for authorization. We would appreciate being advised of the relationship of this proposal to your program before the report is transmitted to the Congress for its consideration.

Sincerely yours,

FRED A. SEATON,
Secretary of the Interior.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., March 4, 1960.

The Honorable the SECRETARY OF THE INTERIOR.

MY DEAR MR. SECRETARY: This will acknowledge your letter of February 25, 1960, transmitting your report on a plan of development for Ruedi Dam and Reservoir.

Your report proposes Ruedi Dam as a substitute for Aspen, which was originally proposed as a feature of the Fryingpan-Arkansas project. The Ruedi Dam is estimated to cost \$12,831,000, of which \$7,600,000 would be allocated to the Fryingpan-Arkansas project and \$5,231,000 is considered chargeable to western-slope uses.

It is noted that, although there are no specific costs required for realization of the fish and wildlife benefits anticipated from the project, \$1,757,800 is allocated to fish and wildlife. The Bureau of the Budget considers that only additional project costs required for realization of fish and wildlife benefits should be allocated to this purpose. This is the method employed in the report for allocation of costs to recreation, and it is believed to be equally applicable to fish and wildlife costs.

Your report proposes to allocate costs among project purposes based on a 100-year period of analysis. The Bureau of the Budget has long considered that proposed water resources development projects should be evaluated within their expected economic life, but not beyond 50 years from the time project benefits become available. While the physical life of many projects will undoubtedly exceed 50 years, an assumption of economic life beyond 50 years is highly speculative, particularly if the rate of recent technological advance is projected into the future. In this case the use of a 100-year period of analysis results in a significant reduction in reimbursable costs.

It would appear that an appropriate adjustment in the cost allocation, using a 50-year period of analysis and no allocation to fish and wildlife, would produce an allocation to deferred storage for municipal and industrial water of somewhat in excess of 30 percent of the cost of the project. This would be inconsistent with the terms of the Water Supply Act of 1958, which limits to 30 percent the allocation to deferred water supply storage. It is believed that this fact should be called to the attention of the Congress.

It is understood that your report is the result of a reconnaissance survey rather than a project investigation and that the cost estimates are, therefore, of a more preliminary character than is usual for reports to the Congress which serve as a basis for project authorization. It is considered, therefore, that, in the event the Fryingpan-Arkansas project is authorized, a reevaluation of the Ruedi Dam should be made prior to a request for appropriations to initiate its construction. It is believed that in this reevaluation costs should be allocated to the various project purposes in accordance with the above comments.

Accordingly, there would be no objection to submission of your report to the Congress. However, no commitment can be made at this time as to when any estimate of appropriation would be submitted for construction of the project, if authorized by the Congress, since this would be governed by the President's budgetary objectives as determined by the then prevailing fiscal situation. It would be appreciated if a copy of this letter accompanied your report to the Congress.

Sincerely yours,

ELMER B. STAATS,
Deputy Director.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., March 4, 1960.

Hon. SAM RAYBURN,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: My report and findings on Ruedi Dam and Reservoir, Colo., are transmitted herewith as provided by the Federal reclamation laws.

The report presents a plan for construction of Ruedi Dam and Reservoir as a feature of the Fryingpan-Arkansas project, in lieu of the Aspen Dam and Reservoir described in House Document 187, 83d Congress. The attached report presents the physical plan of development for the Ruedi Dam and Reservoir and a justification for the inclusion of regulatory storage capacity for the purposes of municipal and industrial water supply or irrigation, flood control, fish and wildlife preservation and propagation, and recreation in the Colorado River Basin.

The proposed storage capacity of Ruedi Reservoir is greater than would be necessary solely to perform the replacement storage function for the Fryingpan-Arkansas project. For this reason, only that portion of the cost which is in excess of the cost previously justified for replacement storage at the Aspen Reservoir site is considered chargeable to Colorado River Basin uses.

It is anticipated that the regulatory storage capacity in excess of that necessary to serve the Fryingpan-Arkansas project function will be required to provide municipal and industrial water supply associated with the oil shale recovery industry. In the absence of firm requirements for such water at this time, it is proposed to apply the provisions of the Water Supply Act of 1958 (Public Law 85-500) to repayment for the storage capacity so allocated.

Copies of my proposed report on Ruedi Dam and Reservoir were transmitted to the affected States, the Secretary of the Army, and to interested Federal agencies for comment. Copies of the comments received as a result of that review are attached to the report.

The report and copies of all comments received were transmitted to the President through the Bureau of the Budget on February 25, 1960. A copy of the letter from the Bureau of the Budget dated March 4, 1960, indicating there would be no objection to submission of this report to the Congress is attached.

Sincerely yours,

ELMER F. BENNETT,
Acting Secretary of the Interior.

(Identical letter to Hon. Richard M. Nixon, President of the Senate, Washington, D.C.)

AUTHORIZING ACT

An act to authorize construction, operation, and maintenance by the Secretary of the Interior of the Fryingpan-Arkansas project, Colorado. (Act of August 16, 1962, 76 Stat. 389, Public Law 87-590.)

SEC. 1. (a) [**Construction authorization.**] That for the purposes of supplying water for irrigation, municipal, domestic, and industrial uses, generating and transmitting hydroelectric power and energy, and controlling floods, and for other useful and beneficial purposes incidental thereto, including recreation and the conservation and development of fish and wildlife, the Secretary of the Interior is authorized to construct, operate, and maintain the Fryingpan-Arkansas project, Colorado, in substantial accordance with the engineering plans therefor set forth in House Document Numbered 187, Eighty-third Congress, modified as proposed in the September 1959 report of the Bureau of Reclamation entitled "Ruedi Dam and Reservoir, Colorado", with such minor modifications of, omissions from, or additions to the works described in those reports as he may find necessary or proper for accomplishing the objectives of the project. Such modifications or additions as may be required in connection therewith shall not, however, extend to or contemplate the so-called Gunnison-Arkansas project; and nothing in this Act shall constitute a commitment, real or implied, to exportations of water from the Colorado River system in Colorado beyond those required for projects heretofore or herein authorized. In constructing, operating, and maintaining the Fryingpan-Arkansas project, the Secretary shall be governed by the Federal reclamation laws (Act of June 17, 1902; 32 Stat. 388, and Acts amendatory thereof or supplementary thereto).

(b) [**Ruedi and Ashcroft sites. Basalt project.**] A reservoir at the Ruedi site on the Fryingpan River with an active capacity of approximately one hundred thousand acre-feet shall be constructed in lieu of the reservoir on the Roaring Fork River at the Aspen site contemplated in House Document Numbered 187, Eighty-third Congress. The Secretary shall investigate and pre-

pare a report¹ on the feasibility of a replacement reservoir at or near the Ashcroft site on Castle Creek, a tributary of the Roaring Fork River above its confluence with the Fryingpan River with a capacity of approximately five thousand acre-feet, but construction thereof shall not be commenced unless said report, which shall be submitted to the President and the Congress, demonstrates the feasibility of said reservoir and is approved by the Congress. The Secretary shall expedite completion of his planning report on the Basalt project, Colorado, as a participating project under the Act of April 11, 1956 (70 Stat. 105), and said report shall have the priority status of the reports to which reference is made in section 2 of said Act.

(c) No part of the single purpose municipal and industrial water supply works involved in the Fryingpan-Arkansas project shall be constructed by the Secretary in the absence of evidence satisfactory to him that it would be infeasible for the communities involved to construct the works themselves, singly or jointly. In the event it is determined that these works, or any of them, are to be constructed by the Secretary, a contract providing, among other things, for payment of the actual cost thereof, with interest as hereinafter provided, as rapidly as is consistent with the contracting parties' ability to pay, but in any event, within fifty years from the time the works are first available for the delivery of water, and for assumption by the contracting parties of the care, operation, maintenance, and replacement of the works shall be a condition precedent to construction thereof.

SEC. 2. [Repayment contracts.] (a) Contracts to repay the portion of the cost of the Fryingpan-Arkansas project allocated to irrigation and assigned to be repaid by irrigation water users (exclusive of such portion of said cost as may be derived from temporary water supply contracts or from other sources) which are entered into pursuant to subsection (d), section 9, of the Reclamation Project Act of 1939 (53 Stat. 1187), as amended, shall provide for a basic repayment period of not more than fifty years after completion of construction and shall not provide for any development period. Such contracts shall be entered into only with organizations which have the capacity to levy assessments upon all taxable real property located within their boundaries.

(b) Rates charged for commercial power and for water for municipal, domestic or industrial use or for the use of facilities for the storage and/or delivery of such water shall be designed to return to the United States, within not more than fifty years from the completion of each unit of the project which serves those purposes, those costs of constructing, operating and maintaining that unit which are allocated to said purposes and interest on the unamortized balance of said construction allocation and, in addition, within the period fixed by subsection (a) of this section, so much of the irrigation allocation as is beyond the ability of the water users and their organizations to repay.

¹ The feasibility of developing a water storage reservoir at or near the Ashcroft site on Castle Creek is being studied (1969) in connection with the Bureau of Reclamation's investigations of the potential Basalt Project, Colorado.

(c) The interest rate on the unamortized balance of the commercial power and municipal, domestic, and industrial water supply allocations shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which construction is initiated, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations, which are neither due nor callable for redemption for fifteen years from the date of issue.

SEC. 3. [Operating principles.] (a) The Fryingpan-Arkansas project shall be operated under the direction of the Secretary in accordance with the operating principles adopted by the State of Colorado on December 9, 1960, and reproduced in House Document Numbered 130, Eighty-seventh Congress.

(b) The Secretary may appoint the two representatives of the United States to the Commission referred to in paragraph 19 of said principles and may, upon unanimous recommendation of the parties signatory to the operating principles, adopt such modifications therein as are not inconsistent with the provisions of this Act.

(c) Any and all benefits and rights of western Colorado water users in and to water stored in the Green Mountain Reservoir, Colorado-Big Thompson project, as described, set forth and defined in Senate Document Numbered 80, Seventy-fifth Congress, shall not be impaired, prejudiced, abrogated, nullified, or diminished in any manner whatever by reason of the authorization, construction, operation, and maintenance of the Fryingpan-Arkansas project.

(d) Except for such rights as are appurtenant to lands which are acquired for project purposes, no valid right to the storage or use of water within the natural basin of the Colorado River in the state of Colorado shall be acquired by the Secretary of the Interior through eminent domain proceedings for the purpose of storing or using outside of said basin the water embraced within that right, and no water, the right to the storage or use of which is so acquired by anyone other than the Secretary, shall be transported through or by means of any works of the Fryingpan-Arkansas project from the Colorado River Basin to the Arkansas River Basin.

SEC. 4. [Recreational facilities.] (a) The Secretary is authorized and directed (1) to investigate, plan, construct, operate, and maintain public recreational facilities on lands withdrawn or acquired for the development of said project, (2) to conserve the scenery, the natural, historic, and archeologic objects, and the wildlife on said lands, (3) to provide for public use and enjoyment of the same and of the water areas created by this project by such means as are consistent with the purposes of said project, and (4) to investigate, plan, construct, operate, and maintain facilities for the conservation and development of fish and wildlife resources. The Secretary is authorized to acquire lands and to withdraw public lands from entry or other disposition under the public land laws necessary for the construction, operation, and

maintenance of the facilities herein provided, and to dispose of them to Federal, State, and local governmental agencies by lease, transfer, exchange, or conveyance upon such terms and conditions as will best promote their development and operation in the public interest: *Provided*, That all lands within the exterior boundaries of a national forest acquired for recreational or other project purposes which are not determined by the Secretary of the Interior to be needed for actual use in connection with the reclamation works shall become national forest lands: *Provided further*, That the Secretary of the Interior shall make his determination hereunder within five years after approval of this Act or, in the case of individual tracts of land, within five years after their acquisition by the United States: *And provided further*, That the authority contained in this section shall not be exercised by the Secretary of the Interior with respect to national forest lands without the concurrence of the Secretary of Agriculture.

(b) The costs, including the operation and maintenance costs, of the undertakings described in subsection (a) of this section shall be nonreimbursable and nonreturnable under the reclamation laws. The funds appropriated for carrying out the authorization contained in section 1 of this Act shall, without prejudice to the availability of other appropriated moneys for the same purpose, also be available for carrying out the investigations and programs authorized in this section.

SEC. 5. [Water use.] (a) The use of water diverted from the Colorado River system to the Arkansas River Basin through works constructed under authority of this Act shall be subject to and controlled by the Colorado River compact, the Upper Colorado River Basin compact, the Boulder Canyon Project Act, the Boulder Canyon Project Adjustment Act, the Colorado River Storage Project Act, and the Mexican Water Treaty (Treaty Series 994), and shall be included within and shall in no way increase the total quantity of water to the use of which the State of Colorado is entitled and limited under said compacts, statutes, and treaty, and every contract entered into under this Act for the storage, use, and delivery of such water shall so recite.

(b) All works constructed under authority of this Act, and all officers, employees, permittees, licensees, and contractees of the United States and of the State of Colorado acting pursuant thereto, and all users and appropriators of water of the Colorado River system diverted or delivered through the works constructed under authority of this Act and any enlargements or additions thereto shall observe and be subject to said compacts, statutes, and treaty, as hereinbefore provided, in the diversion, delivery, and use of water of the Colorado River system, and such condition and covenant shall attach as a matter of law whether or not set out or referred to in the instrument evidencing such permit, license, or contract and shall be deemed to be for the benefit of and be available to the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming and the users of water

therein or thereunder by way of suit, defense, or otherwise in any litigation respecting the waters of the Colorado River system.

(c) None of the waters of the Colorado River system shall be exported from the natural basin of that system by means of works constructed under authority of this Act, or extensions and enlargements of such works, to the Arkansas River Basin for consumptive use outside of the State of Colorado, and no such water shall be made available for consumptive use in any State not a party to the Colorado River compact by exchange or substitution; nor shall the obligations of the State of Colorado under the provisions of the Arkansas River compact (63 Stat. 145) be altered by any operations of the Fryingpan-Arkansas project.

(d) No right or claim of right to the use of the waters of the Colorado River system shall be aided or prejudiced by this Act, and the Congress does not, by its enactment, construe or interpret any provision of the Colorado River compact, the Upper Colorado River Basin compact, the Boulder Canyon Project Act, the Boulder Canyon Project Adjustment Act, the Colorado River Storage Project Act, or the Mexican Water Treaty or subject the United States to, or approve or disapprove any interpretation of, said compacts, statutes, or treaty, anything in this Act to the contrary notwithstanding.

(e) In the operation and maintenance of all facilities under the jurisdiction and supervision of the Secretary of the Interior authorized by this Act, the Secretary of the Interior is directed to comply with the applicable provisions of the Colorado River compact, the Upper Colorado River Basin compact, the Boulder Canyon Project Act, the Boulder Canyon Project Adjustment Act, the Colorado River Storage Project Act (and any contract lawfully entered into by the United States under any of said Acts), the treaty with the United Mexican States, and the operating principles, and to comply with the laws of the State of Colorado relating to the control, appropriation, use, and distribution of water therein. In the event of the failure of the Secretary of the Interior to so comply, any State of the Colorado River Basin may maintain an action in the Supreme Court of the United States to enforce the provisions of this section and consent is given to the joinder of the United States as a party in such suit or suits, as a defendant or otherwise.

SEC. 6. [Report to Congress.] The Secretary of the Interior is directed to continue his studies of the quality of water of the Colorado River system, to appraise its suitability for municipal, domestic, and industrial use and for irrigation in the various areas in the United States in which it is used or proposed to be used, to estimate the effect of additional developments involving its storage and use (whether heretofore authorized or contemplated for authorization) on the remaining water available for use in the United States, to study all possible means of improving the quality of such water and of alleviating the ill effects thereof, and to report the results of his studies and estimates to the Congress on January 3, 1963, and every two years thereafter, the ex-

pense of said studies to be no part of the financial obligation of the Fryingpan-Arkansas project.

SEC. 7. [**Appropriation authorized.**] There is hereby authorized to be appropriated for construction of the Fryingpan-Arkansas project, the sum of \$170,000,000 (June 1961 prices), plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indexes applicable to the types of construction involved herein. There are also authorized to be appropriated such additional sums as may be required for operation and maintenance of the project and for future costs incurred under section 4 of this Act.

GILA PROJECT

ARIZONA

NONREIMBURSABLE COSTS

[Extracts from] An act making appropriations for * * * certain agencies of the Department of the Interior, * * * for the fiscal year ending June 30, 1968, and for other purposes. (Act of November 20, 1967, 81 Stat. 471, 475, Public Law 90-147.)

* * *

Wellton-Mohawk Division. [**Flood control costs.**] That the costs allocated to flood control on the Wellton-Mohawk Division, Gila Project, Arizona, shall be nonreimbursable and the subject repayment contracts shall be amended accordingly.

Yuma Mesa Division. [**Pipe replacement.**] That not to exceed \$1,000,000 of this appropriation shall be available for replacement of cast-in-place concrete pipe in the South Gila Unit, Yuma Mesa Division, Gila Project, Arizona, which shall be nonreimbursable.

GRAND VALLEY PROJECT

COLORADO

Orchard Mesa Division was approved by the Secretary of the Interior March 19, 1921, and authorized by specific inclusion in the Interior Department Appropriation Act, 1923, on May 24, 1922 (42 Stat. 584).

ORCHARD MESA DIVISION ¹

DEPARTMENT OF THE INTERIOR,
U.S. RECLAMATION SERVICE,
Washington, D.C., March 16, 1921.

The SECRETARY OF THE INTERIOR.

DEAR MR. SECRETARY: The Grand Valley project of the Reclamation Service in the State of Colorado diverts water from the Grand River at a point about eight miles above the town of Palisade and carries the same through a canal and a series of tunnels on the north side of the river to water lands lying north and west of the city of Grand Junction. This diversion dam and main canal have been built and the lateral system is under construction. The total expenditure on this project to January 31 has been \$3,648,406.

Prior to the construction of the Government project a private company built works on the opposite side of the river heading about half a mile above the present Government dam and carrying the water in a series of flumes and stretches of canal to a point directly east of Palisade about two miles, where a portion of the water is dropped into the river and develops power for pumping the remainder to two canals shown on the south side of the river which irrigate lands upon the Orchard Mesa. The lands on this mesa have since been organized into an irrigation district which has purchased the irrigation works from the company which built them, giving in payment therefor the bonds of the district. The bonded indebtedness against this district at the present time is \$1,075,000, and there are about \$225,000 in warrants and other floating indebtedness against the district, making a total said to be approximately \$1,300,000. The works which served the Orchard Mesa District were badly located, the main canal for a distance of seven or eight miles being located mainly

¹ These documents omitted from 1957 edition.

along the foot of high, precipitous cliffs, from which occasional slides of rock occur which from time to time destroy a portion of the canal and necessitate expensive emergency repairs. The project also includes a large proportion of wooden flume and wooden pressure pipes, which are in various stages of decay and which it is difficult to keep in repair and operate.

The charges for operation and maintenance of the system in its present state are so high that the District has been unable to pay interest on the indebtedness, and most of the lands have failed to meet their tax levies, so that a considerable portion of the land has been sold at tax sale and it is understood that the principal purchasers at tax sales have been the holders of bonds, who will therefore be direct beneficiaries in case of any arrangement which will stabilize the values of the land.

From time to time the people of Grand Valley interested in the prosperity of Orchard Mesa and the bond holders have applied to the Reclamation Service for encouragement in the reconstruction of their canal system, which it seems otherwise impossible to finance. At the request and at the expense of the bond holders the Reclamation Service has made an examination of the works and estimates of various methods of relieving the conditions in the district. These investigations show that the most promising means of affording such relief through the Reclamation Service is to abandon the upper portion of the power canal operated by the district and divert the water which it now carries at the Government diversion dam and carry it to the north end of Tunnel No. 3. At that point the water would be flumed across the river and carried to the southward in the existing canal reconstructed. Part of this would have to be built of concrete and covered underground to prevent damage from falling rock. The upper five miles of the district canal would be abandoned. It would also be necessary to rebuild all of the wooden structures on the system, but the present power and pumping plants used by the district could be utilized for some time to come and the present canal and lateral systems with various improvements would be made to answer their purpose.

The Reclamation Service estimate of the cost of the necessary construction and reconstruction which is needed at the present time is \$858,000. This would put the system in shape to be operated for some years, but later improvements to a moderate extent would doubtless be required. An equitable share of the cost of existing works that would be used in this new plan would be \$194,000. The bond holders have offered to accept \$250,000 in full payment for the bonds, and it is understood that the floating indebtedness could be comprised upon a somewhat similar basis. The irrigable area which is now covered by the canals on the Orchard Mesa is 8,366 acres, but there is a possibility of reaching additional lands which would increase the area to more than 10,000 acres; but it is not certain that all of these lands could be induced to assume the necessary obligations of securing water supply. Unless they do so, however, and unless some favorable ar-

rangements for compromise of the indebtedness can be made, it is not believed that the project is feasible as a Government undertaking.

The plans for utilizing the existing works built by the Government for the relief of the Orchard Mesa require important modifications in the completion of the Government project, and the time has arrived when a decision must soon be made concerning the future operations. If the Orchard Mesa District is to be relieved by Government measures it will not be practicable to develop as much power nor reclaim as much land by pumping as was the original plan. Moreover, the works now being used to serve the district are in so precarious a condition that if relief is to be granted it must be done before many more seasons have passed.

About 3,500 acres of land have been cultivated on the Orchard Mesa and much of this has been planted to orchards and represents a very large investment. The value of the improvements on that mesa is variously estimated at from \$300,000 to \$500,000, most of which would be destroyed if the system is not rebuilt by some means, and it is evidently impossible to enlist private capital for the purpose.

The Reclamation Service has given careful consideration to all the possibilities and it is believed that the interests now in jeopardy are sufficient to justify the commitment of the Department to the rehabilitation of this system as soon as funds can be made available for the purpose. The leading men of Grand Valley, especially those in the Orchard Mesa District, are urgently desirous that a decision concerning this matter be made at an early day so that the fate of the Mesa may be known and the plans for the Government project may be decided upon.

It is respectfully recommended that the parties in interest be notified that the Department will recommend that Congress authorize it to undertake the reconstruction of the necessary works provided the three following conditions are fulfilled:

1. That the Water Users' Association agree to the free use of existing necessary works now charged to the Government project without any charge to the Orchard Mesa District.

2. That at least 10,000 acres of the lands that can be watered by the Orchard Mesa system be effectively pledged to the repayment of the cost.

3. That the outstanding indebtedness be settled at a total cost not exceeding \$100,000.

4. That the above conditions be met not later than August 1, 1921.

The above conditions will, according to present estimates, bring the acreage cost within \$100 per acre, and as most of the land is high-class it is believed that this figure would be economically feasible.

Very respectfully,

A. P. DAVIS,
Director.

Recommendation approved March 19, 1921.

ALBERT B. FALL,
Secretary.

NOTE.—A telegram from the secretary of the Orchard Mesa Irrigation District to the Director of the Reclamation Service on August 2, 1921, reported compliance with the conditions.

AUTHORIZING ACT

[Extract from] An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1923, and for other purposes. (Act May 24, 1922, 42 Stat. 552, 584, Public Law 67-224.)

* * *

Grand Valley project, Colorado, including Orchard Mesa unit:
For operation and maintenance, continuation of construction, and incidental operations, \$440,000;

* * *

GRANTS PASS PROJECT

OREGON

SAVAGE RAPIDS DAM

[Extract from] An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1955, and for other purposes. (Act of July 1, 1954, 68 Stat. 361, 365, Public Law 83-465.)

Construction and Rehabilitation: * * * That the unexpended funds appropriated for Savage Rapids Dam rehabilitation in Public Law 470, Eighty-second Congress, Second Session, shall be available for rehabilitation of appurtenant canal protective works: * * *

HUNGRY HORSE PROJECT

MONTANA

RECLAMATION LAW STATUS

An act to amend the act of June 5, 1944, relating to the construction, operation, and maintenance of Hungry Horse Dam, Montana. (Act of May 29, 1958, 72 Stat. 147, Public Law 85-428.)

That, in order to clarify the status of the Hungry Horse project, Montana, section 1 of the Act of June 5, 1944 (58 Stat. 270, 43 U.S.C. 593a), is hereby amended by adding to it a new sentence reading as follows:

“The Hungry Horse project shall be subject to the Federal reclamation laws (Act of June 17, 1902 (32 Stat. 388), and Acts amendatory thereof or supplementary thereto).”

HUNTLEY PROJECT

MONTANA

COMPENSATE CROW TRIBE OF INDIANS FOR LANDS

[Extracts from] An act to provide compensation to the Crow Tribe of Indians for certain ceded lands embraced within and otherwise required in connection with the Huntley reclamation project, Montana, and for other purposes. (Act of August 14, 1958, 72 Stat. 575, 582, Public Law 85-628.)

SEC. 1. [Indians. Payment to Crow Tribe.] (a) That there is hereby authorized to be transferred in the Treasury of the United States from funds now or hereafter made available to the Bureau of Reclamation and to be placed to the credit of the Crow Tribe of Indians, Montana, and expended for its benefit and the benefit of its members, pursuant to existing law, a sum of money determined as provided in this section for terminating and extinguishing all of the right, title, estate, and interest, except minerals including oil and gas, of said Indian tribe in and to the lands of that part of the former Crow Indian Reservation lying within the boundaries described below. The Secretary of the Interior shall appraise the fair market value of the interest in the lands taken by this Act within ninety days after passage of this Act and offer that sum to the Crow Tribe. The Crow Tribe may also appraise the fair market value of the interest in the lands taken by this Act and determine whether the appraisal of the Secretary of the Interior is acceptable to the Crow Tribe. If the offer of the Secretary of the Interior is not accepted within sixty days, the Secretary or the Crow Tribe is authorized to commence in a court of competent jurisdiction an action for determining the just compensation payable for such taking. The fair market value of, and the just compensation payable for, the Indian interest in the lands taken by this Act shall not include any value attributable to the construction and development by the United States of the Huntley reclamation project.

* * *

(b) **[Transfer of funds.]** There is hereby authorized to be transferred in the Treasury of the United States from funds now or hereafter made available to the Bureau of Reclamation and to be placed to the credit of the Crow Tribe of Indians a sum equal to all net revenues collected by the United States from grazing and agricultural leases on and other uses of the undisposed of ceded Crow lands referred to in subsection (a) of this section between 1904 and the date of this Act, together with interest which would have been earned in accordance with law on such revenues had they been deposited in the trust funds of the Tribe, as received:

Provided, That such transfer shall not affect the credit of any part of such revenues to the repayment obligation of the Huntley Irrigation District as provided in its contract with the United States dated January 2, 1927.

LOWER RIO GRANDE PROJECT

TEXAS

A supplemental feasibility report on La Feria Division presenting a plan of rehabilitation was transmitted by the Secretary of the Interior to the Congress on May 4, 1959 (H. Doc. 128, 86th Cong.). Rehabilitation of the Division was authorized by act of Congress on September 22, 1959 (73 Stat. 641).

The Mercedes Division feasibility report on a plan of rehabilitation was transmitted to the Congress on April 12, 1957 (H. Doc. 152, 85th Cong.) Rehabilitation was authorized by act of Congress on April 7, 1958 (72 Stat. 82).

LA FERIA DIVISION

DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., September 3, 1957.

THE SECRETARY OF THE INTERIOR.

SIR: This is my report on a plan of rehabilitation for the La Feria division (La Feria Water Control and Improvement District, Cameron County No. 3) of the Lower Rio Grande rehabilitation project in Texas. It is based on, and includes, our proposed report of April 8, 1957, which you approved for transmittal on April 22, 1957. The report is unfavorable in that it does not recommend authorization of the proposed rehabilitation work at this time.

Copies of the proposed report were transmitted on April 25, 1957, to the affected States of the Rio Grande Basin and the Secretary of the Army in accordance with the provisions of section 1(c) of the Flood Control Act of 1944. As provided by the act of August 14, 1946, the report was also sent to the State of Texas for comments from the head of the agency exercising administration over wildlife resources of that State. In addition, copies were sent to the Federal agencies represented on the Interagency Committee on Water Resources, and to the International Boundary and Water Commission.

Comments have been received from all those recipients except the State of Colorado. Copies of the letters received are attached ¹ to, and made a part of, the report. In general, the

¹ Excluded from this publication.

comments are favorable or offer no objection to the proposed plan of rehabilitation of the La Feria division.

Revision of the proposed report as a result of those views does not appear to be necessary. Accordingly, I recommend that you approve and adopt this as your report on the plan of rehabilitation for the La Feria division of the Lower Rio Grande rehabilitation project, and that you transmit it together with the attached comments to the President and subsequently to the Congress in accordance with the provisions of the Reclamation Project Act of 1939.

Respectfully,

S. W. CROSTHWAIT,
Acting Commissioner.

Approved and adopted October 7, 1957.

FRED A. SEATON,
Secretary of the Interior.

DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., February 9, 1959.

THE SECRETARY OF THE INTERIOR.

SIR: This is my supplemental report on a plan of rehabilitation for the La Feria division (La Feria Water Control and Improvement District, Cameron County No. 3) of the Lower Rio Grande rehabilitation project in Texas. It is based on, and includes, our proposed supplemental report of October 28, 1958, which the Acting Secretary approved and adopted on November 18, 1958.

Copies of the proposed supplemental report were transmitted on November 19, 1958, to the affected States of the Rio Grande Basin and the Secretary of the Army for review in accordance with the Flood Control Act of 1944. As provided by the act of August 12, 1958 (72 Stat. 563), the report was also sent to the State of Texas for comments from the head of the agency exercising administration over wildlife resources of that State. In addition, copies were sent to the Federal agencies represented on the Inter-agency Committee on Water Resources, and to the U.S. Section of the International Boundary and Water Commission.

Comments have been received from all of those recipients and copies of their letters are attached¹ to, and made a part of, the supplemental report. In general, the comments are favorable to the proposed plan of rehabilitation for the La Feria division.

The State of Texas finds the proposal to be feasible and approves it, subject to three conditions as set forth in the order adopted on December 29, 1958, by the State board of water engineers. The conditions concern actions which will need to be considered during advance planning and preconstruction activities following authorization of the rehabilitation work. The Governor

¹ Excluded from this publication.

of Texas concurs in the board's approval and urges prompt action on the proposal.

The Chief of Engineers, Department of the Army, finds that the proposed plan does not conflict with existing projects or plans of the Corps of Engineers for the lower Rio Grande Valley. The other Federal agencies either endorse, offer no objection, or offer their assistance in the further development of plans, designs, and rehabilitation of the division. Such suggestions for improvement or clarification of certain aspects of the proposed plan of rehabilitation will be considered during advance planning and preconstruction activities.

As the nature of the comments received is favorable and since no objections were made to the proposed plan of rehabilitation, I believe that revision of the proposed report as a result of those reviews is not necessary. Accordingly, I recommend that you approve and adopt this as your supplemental report on the plan of rehabilitation for the La Feria division of the Lower Rio Grande rehabilitation project, and that you transmit it together with the attached comments to the President and subsequently to the Congress in accordance with the provisions of the Reclamation Project Act of 1939.

Respectfully,

FLOYD E. DOMINY,
Associate Commissioner.

Approved and adopted February 25, 1959.

FRED A. SEATON,
Secretary of the Interior.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., February 25, 1959.

The PRESIDENT,
The White House,
Washington, D.C.

Through Bureau of the Budget.

DEAR MR. PRESIDENT: My supplemental report on a plan of rehabilitation for the La Feria division of the Lower Rio Grande rehabilitation project, Texas, is transmitted herewith pursuant to the provisions of section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187).

On October 7, 1957, I transmitted to you my report of September 3, 1957, as finding unfavorable to the proposed rehabilitation since the La Feria District did not desire to seek congressional authorization of the work at the time it considered the proposed report. On November 21, 1957, after a review of the prevailing circumstances the district requested us to recall the report for reexamination of the plan with the view of securing congress-

sional consideration of the report at the earliest practicable date. Our report was recalled from your office on December 30, 1957.

The reexamination discloses that the proposed plan remains engineeringly feasible and economically justified. The proposed plan would provide for rehabilitation of the existing irrigation and drainage works of the La Feria Water Control and Improvement District, Cameron County No. 3, comprising the water users of the La Feria division of the project. Those works, though presently capable of serving the entire 26,660 acres of irrigable land in the district, require modernization and improvement for efficient and economical operation.

The proposed supplemental report was coordinated with the States of the Rio Grande Basin, the Secretary of the Army, and the interested Federal agencies as required by law and inter-agency agreement. Copies of the comments received as a result of that coordination are enclosed with the report.

I recommend that the plan for rehabilitation of the La Feria division (La Feria Water Control and Improvement District, Cameron County No. 3) of the Lower Rio Grande rehabilitation project, Texas, be authorized as set forth in my supplemental report. I shall appreciate having advice concerning the relationship of the proposal to your program before I transmit the report and the comments to the Congress for consideration and appropriate action in accordance with the provisions of the Reclamation Project Act of 1939.

Sincerely yours,

FRED A. SEATON,
Secretary of the Interior.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., April 14, 1959.

The Honorable the SECRETARY OF THE INTERIOR.

MY DEAR MR. SECRETARY: This is in reply to your letter of February 25, 1959, submitting the reports on a plan of rehabilitation for the La Feria division of the Lower Rio Grande rehabilitation project, Texas. You request advice as to the relationship of the proposal to the program of the President.

The plan recommended in the reports involves rehabilitation of the diversion, distribution, and drainage systems of the La Feria Water Control and Improvement District, Cameron County No. 3, and the construction of a new water storage reservoir with a capacity of about 2,000 acre-feet. The stated purposes of the plan are to permit more efficient operation and maintenance of the district's works, reduce seepage losses from canal and laterals, and provide drainage relief. Irrigable lands totaling 26,660 acres are involved.

The cost is estimated at \$5,750,000 based on July 1958 price

levels. The cost is allocated entirely to irrigation and, according to the report, can be repaid within 35 years. The benefit-cost ratio on the basis of anticipated direct benefits and a 50-year period of analysis is stated to be 1.9.

It is noted in the report of the Commissioner of the Bureau of Reclamation that authorization of the plan under existing reclamation law would require, prior to the initiation of construction, consideration of a problem involving the application of the land-limitation provisions of that law.

I am authorized by the Director of the Bureau of the Budget to inform you that there would be no objection to the submission of your proposed report to the Congress. No commitment, however, can be made at this time as to when any estimate of appropriations would be submitted for this project since this would be governed by the President's budgetary objectives as determined by the then prevailing fiscal situation.

Sincerely yours,

CARL H. SCHWARTZ, Jr.,
Chief, Resources and Civil Works Division.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., May 4, 1959.

Hon. SAM RAYBURN,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: Transmitted herewith, as provided by section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187), is my supplemental report on the La Feria division of the Lower Rio Grande rehabilitation project in Texas.

The supplemental report presents a plan for rehabilitation of the existing irrigation and drainage works of the La Feria Water Control and Improvement District, Cameron County No. 3. Those works, though capable of serving the entire 26,660 acres of irrigable land in the district, require modernization and improvement for efficient and economical operation.

The plan of rehabilitation of the La Feria division is engineeringly feasible and economically justified. At present prices (January 1959) the total estimated construction cost is about \$6 million as compared to the \$5,750,000 shown in the enclosed proposed supplemental report of October 28, 1958.

My supplemental report on the La Feria division was reviewed by the States of the Rio Grande Basin, the Secretary of the Army, and interested Federal agencies as required by the Flood Control Act of 1944 (58 Stat. 887), the act of August 12, 1958 (72 Stat. 563), and interagency agreement. Copies of the comments received as a result of that review are enclosed with the report.

The supplemental report and copies of the comments were submitted to the President on February 25, 1959. Enclosed is a copy of a letter dated April 14, 1959, from the Bureau of the Budget advising that there would be no objection to submission of the report to the Congress.

I recommend that rehabilitation of the La Feria division, Lower Rio Grande rehabilitation project, Texas, be authorized.

Sincerely yours,

ELMER F. BENNETT,
Acting Secretary of the Interior.

LA FERIA DIVISION AUTHORIZING ACT

An act to authorize the Secretary of the Interior to construct, rehabilitate, operate, and maintain the Lower Rio Grande rehabilitation project, Texas, La Feria Division. (Act of September 22, 1959, 73 Stat. 641, Public Law 86-357.)

SEC. 1. [Rehabilitation authorized.] That the Secretary of the Interior, acting pursuant to the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388 and Acts amendatory thereof or supplementary thereto, including the last sentence of Section 1 of the Act of October 7, 1949 (63 Stat. 724), but subject to exceptions herein contained) is authorized to undertake the rehabilitation and betterment of the works of the La Feria Water Control and Improvement District, Cameron County numbered 3, Texas, and to operate and maintain the same. Such undertaking, which shall be known as the La Feria division of the Lower Rio Grande rehabilitation project, shall not be commenced until a repayment contract has been entered into by said district under the Federal reclamation laws, subject to exceptions herein contained, which contract shall provide for payment of the capital cost of the La Feria division over a basic period of not more than thirty-five years and shall, in addition, in lieu of the excess-land provisions of the Federal reclamation laws, require the payment of interest on that pro rata share of the capital cost, which is attributable to furnishing benefits in each particular year to land held in private ownership by any one owner in excess of one hundred and sixty irrigable acres, said interest to be at a rate determined by the Secretary of the Treasury by estimating the average annual yield to maturity, on the basis of daily closing market bid quotations or prices during the month of May preceding the fiscal year in which the repayment contract is entered into, on all outstanding marketable obligations of the United States having a maturity date of fifteen or more years from the first day of such month of May, and by adjusting such estimated average annual yield to the nearest one-eighth of 1 per centum.

SEC. 2. [Land title.] Title to all lands and works of the division, to the extent an interest has been vested in the United States, shall pass to the La Feria Water Control and Improvement Dis-

tract, Cameron County numbered 3 or its designee or designees upon payment to the United States of all obligations arising under this Act or incurred in connection with this division of the project.

SEC. 3. [Appropriation authorized.] There is hereby authorized to be appropriated for the work to be undertaken pursuant to the first section of this Act the sum of \$6,000,000 (January 1959 costs), plus such amount, if any, as may be required by reason of changes in costs of work of the types involved as shown by engineering indices.

MERCEDES DIVISION

DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., December 28, 1956.

The SECRETARY OF THE INTERIOR.

SIR: This is my report on a plan of rehabilitation for the Mercedes division (Hidalgo and Cameron Counties Water Control and Improvement District No. 9) of the Lower Rio Grande rehabilitation project in Texas. It is based on, and includes, our proposed report of April 26, 1956, which you approved for transmittal on June 22, 1956.

Copies of the proposed report were transmitted to the affected States of the Rio Grande Basin and the Secretary of the Army in accordance with the provisions of section 1(c) of the Flood Control Act of 1944. As provided by the act of August 14, 1946, the report was also sent to the State of Texas for comments from the head of the agency exercising administration over wildlife resources of that State. In addition, copies were sent to the Federal agencies represented on the Interagency Committee on Water Resources, and to the International Boundary and Water Commission.

Comments have been received from all those recipients, and copies of their letters are attached¹ to, and made a part of, the report.

In general, the comments are favorable or offer no objection to the proposed plan of rehabilitation of the Mercedes division. The State of Texas finds the project to be feasible and approves it, subject to three conditions set forth in the November 27, 1956, letter from the Governor. Those conditions concern actions which will need to be considered during advance planning and preconstruction activities following authorization of the division. The Chief of Engineers, Department of the Army, finds that there is

¹ Excluded from this publication.

no apparent conflict between the proposed improvements and the existing projects or plans of the Corps of Engineers in the lower Rio Grande Valley.

The other Federal agencies either endorse, offer no objection, or offer their assistance in the further development of plans, designs, and construction of the division. Their several suggestions for improvement or clarification of certain aspects of the proposed plan of rehabilitation will be considered during advance planning and preconstruction activities.

As the nature of the comments received is favorable, and since no objections were made to the proposed plan of rehabilitation, I believe that revision of the proposed report as a result of those reviews is not necessary.

During the review of the proposed report, additional work was underway on an analysis of the ability of the Hidalgo and Cameron Counties Water Control and Improvement District No. 9 to continue to obtain its water supply throughout the payout period. A careful consideration of the conclusions reached from the analysis discloses that the plan of rehabilitation is justified from a water-right standpoint and that the risk involved in proceeding with the proposed rehabilitation work is not unreasonable.

Accordingly, I recommend that you approve and adopt this as your report on the plan of rehabilitation for the Mercedes division of the Lower Rio Grande rehabilitation project, and that you transmit it, together with the attached comments, to the President and subsequently to the Congress in accordance with the provisions of the Reclamation Project Act of 1939.

Respectfully,

E. G. NIELSEN,
Acting Commissioner.

Approved and adopted February 21, 1957.

FRED G. AANDAHL,
Acting Secretary of the Interior.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., February 21, 1957.

The PRESIDENT,
The WHITE HOUSE,
(Through the Bureau of the Budget.)

MY DEAR MR. PRESIDENT: My report on a plan of rehabilitation for the Mercedes division of the Lower Rio Grande rehabilitation project, Texas, is transmitted herewith pursuant to the provisions of section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187).

The proposed plan would provide for rehabilitation of the existing irrigation and drainage works of the Hidalgo and Cameron Counties Water Control and Improvement District No. 9, com-

prising the water users of the Mercedes division of the potential rehabilitation project. Those works, though capable of serving the entire 68,000 acres of irrigable land in the district, require modernization and improvement for efficient and economical operation.

The plan of rehabilitation therefore is designed to permit more economical operation and maintenance of the district's irrigation works, to provide more efficient water deliveries, to reduce distribution system losses, and to reduce flooding of lands in some areas by repair and improvement of the district's irrigation and drainage system. It involves a small increase in intradistrict water storage, repair or replacement of deteriorated existing canal lining, installation of concrete lining or pipes in most of the presently unlined laterals of the irrigation system, rehabilitation or replacement of deteriorated or inadequate irrigation and drainage structures, cleaning and clearing of all earth canals and drains, and construction of access roads for maintenance purposes along all open canals, laterals, and drains.

The total estimated construction cost of the proposed plan of rehabilitation for the Mercedes division is about \$9,270,000 on the basis of June 1955 prices. The total estimated cost of rehabilitation is all allocable to irrigation and with the exception of \$22,000 contributed by the district toward investigation costs is reimbursable. The amortization capacity of the district lands creditable to the proposed plan is determined to be ample for repayment of the construction costs by the water users in a 40-year period. Payments would average about \$230,000 annually.

The proposed plan for rehabilitation of the Mercedes division has engineering feasibility and is economically justified. On the basis of a 40-year period of analysis, the evaluated annual direct benefits would exceed the estimated annual costs in the ratio of more than 2 to 1.

The report was transmitted to officials of States of the Rio Grande Basin and to the Secretary of the Army for their consideration and recommendations as required by the Flood Control Act of 1944 (58 Stat. 887). It was sent also to the State of Texas for the comments of the head of the agency exercising administration over the wildlife resources of that State pursuant to provisions of the act of August 14, 1946 (60 Stat. 1080). In addition, copies were sent to the Federal agencies represented on the Interagency Committee on Water Resources, and to the International Boundary and Water Commission. Comments have been received from all of those recipients, and copies of their letters are enclosed with the report.

I recommend that the plan for rehabilitation of the Mercedes division (Hiladgo and Cameron Counties Water Control and Improvement District No. 9) of the Lower Rio Grande rehabilitation project, Texas, be authorized as set forth in my report. I shall appreciate having advice concerning the relationship of the Mercedes division to your program before I transmit the report to the Congress for its consideration and appropriate action in ac-

cordance with the provisions of the Reclamation Project Act of 1939.

Sincerely yours,

FRED G. AANDAH, *Acting Secretary of the Interior.*

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., April 5, 1957.

The Honorable the SECRETARY OF THE INTERIOR.

MY DEAR MR. SECRETARY: This is in reply to Assistant Secretary Aandahl's letter of February 21, 1957, submitting your report on a plan of rehabilitation for the Mercedes division of the Lower Rio Grande rehabilitation project, Texas, and requesting advice concerning its relationship to the program of the President.

The proposed plan would provide for rehabilitation of existing irrigation and drainage works of the Hidalgo and Cameron Counties Water Control and Improvement District No. 9 serving 68,000 acres of irrigable land. On the basis of June 1955 price levels, the total cost of construction is estimated at \$9,270,000. This cost is allocated wholly to irrigation and with the exception of \$22,000 advanced by the district toward investigation costs is reimbursable. It has been determined that the water users will be able to repay this reimbursable cost in a 40-year period. Using an equal time period for the economic analysis, the report states that the benefit-cost ratio is 2.29 on the basis of direct benefits.

I am authorized by the Director of the Bureau of the Budget to advise you that there would be no objection to submission of the report to Congress. However, no commitment can be made at this time as to when any estimate of appropriation would be submitted for the improvement, if authorized by Congress, since this would be governed by the President's budgetary objectives as determined by the then prevailing fiscal situation.

Sincerely yours,

CARL H. SCHWARTZ, Jr.,
Chief, Resources and Civil Works Division.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., April 12, 1957.

Hon. SAM RAYBURN,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: Transmitted herewith, as provided by section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187)

is my report on the Mercedes division of the Lower Rio Grande rehabilitation project in Texas.

The report presents a plan for rehabilitation of the existing irrigation and drainage works of the Hidalgo and Cameron Counties Water Control and Improvement District No. 9. Those works, though capable of serving the entire 68,000 acres of irrigable land in the district, require modernization and improvement for efficient and economical operation.

The plan of rehabilitation for the Mercedes division is engineeringly feasible and economically justified. At present prices (January 1957) the total estimated construction cost is about \$10,100,000 as compared to the \$9,270,000 shown in the report.

My proposed report on the Mercedes division was reviewed by the States of the Rio Grande Basin, the Secretary of the Army, and interested Federal agencies as required by the Flood Control Act of 1944 (58 Stat. 887), the act of August 14, 1946 (60 Stat. 1080), and interagency agreement. Copies of the comments received as a result of that review are attached to the report.

The report and copies of the comments were submitted to the President on February 21, 1957. A copy of the April 5, 1957, letter from the Bureau of the Budget advising that there would be no objection to submission of the report to the Congress is enclosed with the report.

I recommend that rehabilitation of the Mercedes division, Lower Rio Grande rehabilitation project, Texas, be authorized.

Sincerely yours,

FRED G. AANDAHL,
Assistant Secretary of the Interior.

MERCEDES DIVISION AUTHORIZING ACT

An act to authorize the Secretary of the Interior to construct, rehabilitate, operate, and maintain the Lower Rio Grande rehabilitation project, Texas, Mercedes Division. (Act of April 7, 1958, 72 Stat. 82, Public Law 85-370.)

SEC. 1. [Rehabilitation authorized.] That the Secretary of the Interior, acting pursuant to the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388 and Acts amendatory thereof or supplementary thereto, including particularly the Act of July 4, 1955 (69 Stat. 244), but subject to exceptions herein contained) is authorized to undertake the rehabilitation and betterment of the works of the Hidalgo and Cameron Counties Water Control and Improvement District Numbered 9, Texas, and to operate and maintain the same. Such undertaking which shall be known as the Mercedes division of the Lower Rio Grande reclamation project, shall not be commenced until a repayment contract has been entered into by said district under the Federal reclamation laws, subject to exceptions herein contained, which contract shall pro-

vide for payment, in accordance with the district's repayment ability, of the capital cost of the Mercedes division over a period of not more than forty years or as near thereto as is consistent with the adoption and operation of a variable payment formula which, being based on full repayment within said period under average conditions, permits variance in the required annual payments in the light of economic factors pertinent to the ability of the organization to pay, and shall, in addition, require the payment of interest on that pro rata share of the capital cost, which is attributable to furnishing benefits in each particular year to land held in private ownership by any one owner in excess of one hundred and sixty irrigable acres, said interest to be at rate determined by the Secretary of the Treasury by estimating the average annual yield to maturity, on the basis of daily closing market bid quotations or prices during the month of May preceding the fiscal year in which the repayment contract is entered into, on all outstanding marketable obligations of the United States having a maturity date of fifteen or more years from the first day of such month of May, and by adjusting such estimated average annual yield to the nearest one-eighth of 1 per centum.

SEC. 2. [**Title to lands and works.**] Title to all lands and works of the division, to the extent an interest has been vested in the United States, shall pass to the Hidalgo-Cameron Counties Water Control and Improvement District Numbered 9 or its designee or designees upon payment to the United States of all obligations arising under this Act or incurred in connection with this division of the project.

SEC. 3. [**Excess land provision.**] The excess land provisions of the Federal reclamation laws shall not be applicable to lands in this project which now have an irrigation water supply from sources other than a Federal reclamation project, and for which no new waters are being developed.

SEC. 4. [**Appropriation.**] There is hereby authorized to be appropriated for the work to be undertaken pursuant to the first section of this Act the sum of \$10,100,000 (January 1957 costs), plus such amount, if any, as may be required by reason of changes in costs of work of the types involved as shown by engineering indices.

REHABILITATION AND BETTERMENT LAW APPLICABLE

An act providing that certain provisions of Public Law 335 dated October 7, 1949 (63 Stat. 724) shall apply to the Mercedes Division of the Lower Rio Grande rehabilitation project, Texas. (Act of September 13, 1960, 74 Stat. 905, Public Law 86-765.)

That the Secretary of the Interior, in addition to the authority granted by Public Law 85-370, April 7, 1958 (72 Stat. 82), is authorized to act pursuant to the last sentence of section 1 of the Act of October 7, 1949 (63 Stat. 724), but subject to the exceptions contained in the Act of April 7, 1958, in the construction, rehabilitation, operation, and maintenance of the Lower Rio Grande rehabilitation project, Texas, Mercedes division.

MANN CREEK PROJECT

IDAHO

Mann Creek project feasibility report was transmitted by the Secretary of the Interior to the Congress on June 30, 1960, (House Document No. 444, 86th Cong.). Construction was authorized by act of Congress on August 16, 1962 (76 Stat. 388). [Note. See also page 694 of 1957 edition.]

DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., July 9, 1959.

The SECRETARY OF THE INTERIOR:

SIR: This is my report on the Mann Creek project, Idaho. It is based on and includes the proposed report on this project which you approved and adopted on January 27, 1959.

Copies of your proposed report were transmitted to States of the Columbia River Basin and to the Secretary of the Army on January 30, 1959, in accordance with section 1(c) of the Flood Control Act of 1944 (58 Stat. 887) and to the State of Idaho for comments from the head of the agency exercising administration over the wildlife resources of that State in accordance with the provisions of the act of August 12, 1958 (72 Stat. 563). Copies of the report were also furnished to agencies represented on the Interagency Committee on Water Resources for their review and comments. Comments have been received from the States of Idaho, Nevada, Oregon, Washington, and Wyoming and from the six Federal agencies to which the report was sent. Copies of the comments are attached.¹

As the comments received either approved or offered no objection to the potential development, it does not appear that revision of your proposed report as a result of the review by the various agencies is necessary. In particular, the Governor of the State of Idaho advises that that State approves and supports the project and recommends its authorization and construction. The State's letter also contains the comment that residents of Mann Creek Valley are enthusiastic in support of the project.

The comments from the State of Washington approved the project but expressed the belief that surplus power revenues from the Bonneville Power Administration should not be used to prov-

¹ Excluded from this publication.

ide assistance to irrigation. The opposition to use of BPA revenues stems mainly from the fact that Mann Creek is outside the marketing area of the BPA system.

Attached is copy of supplemental information¹ on the Mann Creek project required by Senate Resolution 148, 85th Congress.

Accordingly, I recommend that you approve and adopt this report as your report on the Mann Creek project, Idaho, and that you transmit it, together with the attached¹ comments, to the President and subsequently to the Congress in accordance with the Reclamation Act of 1939.

Respectfully,

FLOYD E. DOMINY,
Commissioner.

Approved and adopted July 16, 1959.

ELMER F. BENNETT,
Acting Secretary of the Interior.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., July 16, 1959.

The PRESIDENT,
The White House, Washington, D.C.
(Through the Bureau of the Budget.)

DEAR MR. PRESIDENT: My report on the Mann Creek project, Idaho, is transmitted herewith pursuant to the provisions of section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187).

Mann Creek project consists primarily of a dam and a 13,000 acre-foot reservoir on Mann Creek near the town of Weiser in western Idaho. It would provide a supplemental water supply to 4,465 acres and a full water supply to 595 irrigable acres now dry in the Mann Creek and Monroe Creek Irrigation Districts. Fish and wildlife and recreation are other functions which the proposed facilities would benefit.

The estimated cost is \$3,221,000 based on October 1957 prices which are essentially the same as current prices. The proposed allocations of cost are as follows: Irrigation, \$3,138,000; fish and wildlife, \$58,000; and recreation \$25,000. The total annual operating cost is estimated at \$10,700.

Studies show that the irrigators probably could repay \$1,014,000 of the capital costs over a 50-year period in addition to operation and maintenance costs. It is recommended that costs beyond the repayment ability of the water users be repaid using Bonneville Power Administration surplus power revenues. The costs allocated to fish and wildlife and recreation are considered as being nonreimbursable.

To eliminate the necessity of an annual nonreimbursable appropriation of \$1,700 for the fish and wildlife operating cost, the irrigators would meet this cost. This would amount to a total of

¹ Excluded from this publication.

\$85,000 over the repayment period and would justify a downward adjustment in the cost allocated to irrigation. Thus, over a 50-year period the water users' payments in addition to irrigation, operation, and maintenance costs would still total \$1,014,000; however, this amount would now include \$85,000 for fish and wildlife operating cost and \$929,000 for repayment of irrigation capital cost. The financial assistance required from the Bonneville power system would remain unchanged.

This project has considerable local support and State officials indicated strong interest in their official letter of comments on the planning report. The benefit-cost ratios demonstrate that expenditures for construction would be justified in that benefits exceed costs by 1.65 to 1 and 1.31 to 1, respectively, based on 100- and 50-year periods of study.

The report was transmitted to officials of the States of the Columbia River Basin and to the Secretary of the Army for their consideration and recommendations as required by the provisions of section 1(c) of the Flood Control Act of 1944 (58 Stat. 887). It was also sent to the State of Idaho for the comments of the agency exercising administration over the wildlife resources of the area involved as required by provisions of the act of August 12, 1958 (72 Stat. 563), and to the Departments of Agriculture, Commerce, Labor, and Health, Education, and Welfare, and the Federal Power Commission in accordance with interagency agreements. Copies of all comments received are enclosed with the report.

I recommend that the Mann Creek project, Idaho, be authorized as presented in the report. I shall appreciate having advice concerning the relationship of this potential development to your program before the report is transmitted to the Congress for its consideration and appropriate action in accordance with the provisions of the Reclamation Project Act of 1939.

Sincerely yours,

ELMER F. BENNETT,
Acting Secretary of the Interior.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., May 14, 1960.

The Honorable the SECRETARY OF THE INTERIOR.

MY DEAR MR. SECRETARY: This will acknowledge Under Secretary Bennett's letter of July 16, 1959, transmitting the report on the Mann Creek project, Idaho. Advice was requested as to the relationship of the report to the program of the President.

The principal feature of the project is a dam and a 13,000 acre-foot reservoir on Mann Creek near Weiser, Idaho. The project would provide supplemental water to 4,465 acres and a full water supply to 595 acres which are now dry-farmed. The esti-

mated total cost of the project based on October 1957 prices is \$3,221,000, of which \$3,138,000 is tentatively allocated to irrigation, \$58,000 to fish and wildlife, and \$25,000 to recreation. The benefit-cost ratio based on a 50-year period of analysis is 1.31.

The report indicates that water users can repay \$929,000 of the capital costs allocated to irrigation and can assume the cost of operating the fish and wildlife facilities, estimated at \$1,700 annually. Payment of the operating cost of the fish and wildlife facilities by the water users will eliminate the necessity of an annual nonreimbursable appropriation for this activity. This arrangement is equivalent to repayment without interest of \$1,014,000 over a 50-year period, which is 32 percent of the irrigation allocation.

The report recommends that surplus power revenues of the Bonneville Power Administration be used to repay irrigation costs beyond the water users' repayment ability. The Congress has in the past authorized the use of surplus power revenues to assist in the return of irrigation costs of Columbia Basin projects associated with specific power facilities. However, the basin account concept, under which surplus power revenues from a number of projects in a basin are applied to the return of capital costs of reclamation developments within the same area, has not yet been extended to the Columbia Basin. Since the Congress is currently considering legislation, S. 1388, which would authorize a basin account for the Pacific Northwest, it is considered that a recommendation to apply in part the provisions of this general legislation for a specific project is premature. Our report to the chairman of the Senate Committee on Interior and Insular Affairs on S. 1388 raised several questions about this legislation. It is also noted that the State of Washington in its report on the Mann Creek project opposes the use of surplus Bonneville power revenues to provide financial assistance to irrigation projects outside the Bonneville service area.

The report tentatively allocates \$58,000 of the cost of the project to fish and wildlife in recognition of net fish resource enhancement benefits. No specific costs are required for this purpose, although certain facilities, estimated to cost \$5,000, are required to mitigate anticipated damages to fish resources. The Bureau of the Budget considers that the allocation of costs to fish and wildlife enhancement should not exceed the additional project costs incurred for that purpose. This is the method employed in the report for allocation of costs to recreation and it is believed to be equally applicable to fish and wildlife costs.

While there would be no objection to the submission of your proposed report to the Congress, the Bureau of the Budget would recommend that action on the Mann Creek project be deferred until the Congress establishes by law a Pacific Northwest or Columbia Basin account, or, as an alternative, that the reimbursable costs which are beyond the ability of the water users to repay within 50 years, exclusive of the permissible development period, be borne by the Federal Government as a contribution to irriga-

tion. In the latter case, the letter transmitting the report to the Congress should include proposed language stating the maximum amount of such contribution for incorporation in the authorizing legislation. It would be appreciated if a copy of this letter accompanied your report to the Congress.

Sincerely yours,

ELMER B. STAATS.
Deputy Director.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., June 30, 1960.

Hon. SAM RAYBURN,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: My report on the Mann Creek project, Idaho, is transmitted herewith as provided by section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187).

The report presents a plan of development for a proposed irrigation project located near the town of Weiser in western Idaho. The project also would provide for both fish and wildlife conservation and recreation. The plan of development is engineeringly feasible and economically justified.

My proposed report on this project was transmitted to the affected States and interested Federal agencies for review as required by law and interagency agreement. Comments have been received from all to which the report was sent except the States of Montana and Utah, which are not directly affected by the proposed development. Copies of the replies received are attached to the report.

The report and copies of the comments received were submitted to the President on July 16, 1959. Enclosed is a copy of letter dated May 14, 1960, from the Deputy Director of the Bureau of the Budget indicating, that while there would be no objection to the submission of the report to the Congress, the Bureau of the Budget would recommend that action on the Mann Creek project be deferred until the Congress establishes by law a Pacific Northwest or Columbia Basin account, or, as an alternative, that the reimbursable costs which are beyond the ability of the water users to repay within 50 years, exclusive of the permissible development period, be borne by the Federal Government as a contribution to irrigation.

We believe that it is desirable, and have so recommended in reporting and testifying on pending legislation, that the Congress establish a Pacific Northwest account to aid such projects as Mann Creek. Similar accounts have been authorized in major areas of the West. We believe further that, until such an account is established by the Congress, irrigation assistance for this pro-

ject should be provided from net revenues derived from the Bonneville Power Administration system as recommended in my proposed report.

The Department is not in favor of a direct Federal contribution to irrigation. This would be contrary to long-established policy that reimbursable irrigation costs on Federal reclamation projects be fully repaid to the Federal Treasury by the project beneficiaries including such assistance as necessary from surplus revenues produced on multiple-purpose water resource developments in the West.

I recommend that construction of the Mann Creek project, Idaho, be authorized as set forth in my report.

Sincerely yours,

ELMER F. BENNETT,
Under Secretary of the Interior.

AUTHORIZING ACT

An act to authorize the Secretary of the Interior to construct, operate, and maintain the Mann Creek Federal reclamation project, Idaho, and for other purposes. (Act of August 16, 1962, 76 Stat. 388, Public Law 87-589.)

SEC. 1. [Construction authorized.] That for the purposes of providing irrigation water for approximately fifty-one hundred acres, conserving and developing fish and wildlife, and providing recreational benefits, the Secretary of the Interior, acting pursuant to the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto), is authorized to construct, operate, and maintain the facilities of the Mann Creek Federal reclamation project, Idaho. The principal works of the project shall consist of a dam and reservoir, diversion facilities from the reservoir, and drainage facilities.

SEC. 2. [Construction costs, repayment period.] The base period provided in subsection (d), section 9, of the Reclamation Project Act of 1939, as amended, for repayment of the construction costs properly chargeable to any block of lands and assigned to be repaid by irrigators shall be forty years, exclusive of any development period, from the time water is first delivered to that block. Costs allocated to irrigation in excess of the amount determined by the Secretary to be within the ability of the irrigators to repay within the repayment period or periods herein specified, shall be returned to the reclamation fund within such period or periods from revenues derived by the Secretary of the Interior from the disposition of power marketed through the Federal power system in southern Idaho.

SEC. 3. [Recreation facilities.] (a) The Secretary of the Interior is authorized, in connection with the Mann Creek project, to construct minimum basic public recreation facilities, and to acquire such lands as may be necessary for that purpose, substantially in accordance with the plan in the report of the Secretary of the In-

terior, but such facilities (other than those necessary to protect the project works and the visiting public) shall not be constructed until an agreement has been executed by the State of Idaho, an agency or political subdivision thereof, or an appropriate local agency or organization to assume the management and operation of the facilities. The cost of constructing such facilities shall be nonreimbursable and nonreturnable under the reclamation laws.

(b) [**Fish and wildlife conservation.**] The Secretary may make such reasonable provision in the works authorized by this Act as he finds to be required for the conservation and development of fish and wildlife in accordance with the provisions of the Fish and Wildlife Coordination Act (48 Stat. 401, as amended; 16 U.S.C. 661, and the following), and the portion of the construction costs allocated to these purposes, together with an appropriate share of the operation, maintenance, and replacement costs therefor, shall be nonreimbursable and nonreturnable. Before the works are transferred to an irrigation water users' organization for care, operation, and maintenance, the organization shall have agreed to operate them in such fashion, satisfactory to the Secretary, as to achieve the benefits to fish and wildlife on which the allocation of costs therefor is predicated, and to return the works to the United States for care, operation, and maintenance in the event of failure to comply with his requirements to achieve such benefits.

SEC. 4. [**Appropriation authorized.**] There is hereby authorized to be appropriated for construction of the works herein authorized the sum of \$3,490,000 (April 1961 prices). There are also authorized to be appropriated such sums as may be required for the operation and maintenance of said works.

APPROPRIATION AUTHORIZATION INCREASE

An act to amend the Act authorizing the Mann Creek Federal reclamation project, Idaho, in order to increase the amount authorized to be appropriated for such project. (Act of August 16, 1962; 76 Stat. 388). (Act of June 30, 1965, 79 Stat. 207, Public Law 89-60.)

That section 4 of the Act entitled "An Act to authorize the Secretary of the Interior to construct, operate, and maintain the Mann Creek Federal reclamation project, Idaho, and for other purposes", approved August 16, 1962 (76 Stat. 388; 43 U.S.C. 616j), is amended by striking out "\$3,490,000 (April 1961 prices)" and inserting in lieu thereof \$4,180,000 (January 1965 prices) including \$120,000 heretofore appropriated for preauthorization investigations, plus or minus such amounts, if any, as may be required by reasons of changes in the cost of construction work of the types involved therein as shown by engineering cost indexes."

Note: "The increase in price levels since the Mann Creek project was authorized plus unforeseen foundation problems at the damsite and the passage of general legislation providing for construction of relocated roads to current standards make it impossible to construct the Mann Creek project within the amount originally authorized to be appropriated." (Excerpt from House Report No. 335, 89th Congress, 1st. Session.)

McMILLAN DELTA PROJECT

NEW MEXICO

The McMillan Delta Project report presenting engineering findings on a plan for a water salvage channel was transmitted by the Secretary of the Interior to the Congress on June 11, 1956 (House Document No. 429, 84th Cong.). Construction was authorized by Joint Resolution of February 20, 1958, (72 Stat. 17).

DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., January 11, 1956.

THE SECRETARY OF THE INTERIOR.

SIR: This is my report on the McMillan Delta project, New Mexico. It is based on, and includes, the proposed report on a plan for McMillan Delta water salvage channel of this project, which you approved on June 13, 1955, for transmittal to the affected States and others.

Copies of the proposed report were transmitted to the States of New Mexico and Texas, particularly to ascertain their views on their willingness, and the extent thereof, to participate in the project in terms of repayment, construction by them of any part or all of the project, assumption of annual operation and maintenance costs, responsibilities for division of the salvage water, the amount of reimbursable costs if undertaken as a Federal project; and to Colorado and to the Secretary of the Army; all in accordance with the requirements of the Flood Control Act of 1944 (58 Stat. 887); and to the State of New Mexico for the views and recommendations of the head of the agency exercising administration over the wildlife resources of that State in accordance with the provisions of the act of August 14, 1946 (60 Stat. 1080). The Pecos River Commission and the Federal agencies represented on the Interagency Committee on Water Resources were also sent copies for their comments. Copies of the comments received from these recipients are attached ¹ to and made a part of the report.

The comments of the Federal agencies generally were favorable or indicated that the proposed plan would not affect or conflict with agency programs. The State of Colorado finds it has no specific interest in the project. The State of Texas endorses the plan as submitted in the proposed report.

The State of New Mexico recommends that the water-salvage

¹ Excluded from this publication.

project be authorized as proposed; however, it further recommends that authorizing Federal legislation provide that no moneys be appropriated for and no work commenced on the clearing of the associated floodway channel until certain problems affecting operation of the existing downstream Carlsbad project have been satisfactorily resolved. Several studies have been initiated to answer questions posed by the Carlsbad Irrigation District on these problems, the principal one relating to the loss of storage capacity in Lake McMillan through an accelerated rate of sedimentation. The results of all these studies, however, will not be available for about 6 months.

Until these engineering studies have been performed, it is not possible to ascertain the probable effects that an uncleared floodway channel might have on existing works and the safety of the proposed improvements. On a judgment basis, however, it is our opinion that the proposed new facilities would be subject to objectionable hazard in the event of major flood under the conditions of an uncleared floodway. Design of the levee to protect the low-flow channel to the same standards of flood protection as the proposed plan with the cleared floodway would require considerable increase in levee height. Less water salvage would result with an uncleared floodway; however, sufficient water would still be salvaged to justify the cost. From a practical standpoint the incremental effects on downstream works cannot be determined, but it is recognized that flood peaks below Lake McMillan would be decreased to a minor extent with an uncleared floodway. Annual sediment accumulation in the reservoir would also be less than with a cleared floodway but would be materially greater than under present conditions.

The views of the States in respect to their ability and willingness to participate in the project have been expressed in the comments of the Pecos River Commission. The proposed plan of development was specifically advanced by the Commission in connection with its water salvage and salinity alleviation action programs in the Pecos River Basin. The regional director's report on engineering findings on the proposed plan for the water-salvage channel was made available to the Commission for that purpose.

The Pecos River Commission agrees with the conclusions in the Bureau's report on its engineering findings in respect to the Commission's proposal, and endorses a plan whereby the Bureau of Reclamation would construct the water-salvage project in conformance with the plan described in the report. The Commission believes that the Carlsbad Irrigation District and the Red Bluff Water Power Control District are unable to contribute to repayment of the proposed plan. It is also of the opinion that the States of New Mexico and Texas will be able to acquire the necessary rights-of-way, make the necessary highway relocation, construct necessary bridges, and construct one of the access operating roads for the water-salvage project. The cost of such items and work is estimated at \$288,700 of the proposed project's estimated cost of \$2,161,000. Maintenance and operation of the water-salvage chan-

nel would also be undertaken by appropriate State agencies in conjunction with local interests. The Commission feels, however, that the national interest is such that all costs except for those items specified above should be nonreimbursable. I understand that the Commission is advancing this initial development of water salvage and salinity alleviation action programs in the Pecos River Basin as a partnership undertaking under Federal authorization.

In substantiating that position the Commission cites as an established precedent the construction of certain similar works under way on the Middle Rio Grande project in New Mexico in which there is full Federal participation. This project was authorized by Public Law 858, 80th Congress, and Public Law 516, 81st Congress. Among other things the comprehensive plan provides for channel rectification of the Rio Grande from the Colorado-New Mexico boundary to the backwaters of Elephant Butte Reservoir as a water-salvage measure and is considered to be similar to the proposal for the McMillan Delta area. Costs of the Middle Rio Grande channel rectification works are nonreimbursable. Consequently, it is the Commission's opinion that the works proposed in the Pecos River, which is a tributary of the Rio Grande, should be given the same consideration.

The Commission also advises that in accordance with the provisions of the Pecos River compact, it will determine the quantities of water which are salvaged by the proposed project and will apportion the water salvaged between the States of New Mexico and Texas.

In these circumstances, I recommend that you approve this report on the McMillan Delta project for transmittal to the President and the Congress for their information and consideration, in accordance with the provisions of the Reclamation Project Act of 1939.

Respectfully,

W. A. DEXHEIMER,
Commissioner.

Approved February 14, 1956.

DOUGLAS MCKAY,
Secretary of the Interior.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., February 14, 1956.

The PRESIDENT,
The White House,
Washington, D.C.

(Through the Bureau of the Budget).

MY DEAR MR. PRESIDENT: A report on the McMillan Delta project, New Mexico, is transmitted herewith pursuant to the provisions of the Reclamation Project Act of 1939 (53 Stat. 1187).

The report presents findings with respect to a plan specifically

advanced by the Pecos River Commission for construction of a water-salvage channel through the delta area upstream from Lake McMillan of the Carlsbad project to provide for salvage of Pecos River water presently being lost through nonbeneficial consumptive use. The November 1954 report of the regional director, Bureau of Reclamation, was made available to the Pecos River Commission in connection with its report on the initial development of water salvage and salinity alleviation action programs in the Pecos River Basin.

The plan as proposed on the basis of cooperative studies sponsored by the Commission consists principally of a channel-head-ing structure, a low-flow conveyance channel of 1,500 cubic feet per second capacity, a floodway levee, and a cleared floodway of 40,000 cubic feet per second capacity, extending about 16 miles through the delta area. The estimated construction cost is \$2,161,000 on the basis of September 1954 prices, and average annual operation and maintenance cost is about \$52,800. All of the costs are allocable to irrigation. Total benefits from the irrigation use of the water salvaged are roughly estimated at about \$938,000 annually, which greatly exceed the estimated annual costs, with direct or primary benefits exceeding the costs in a ratio of 1.6 to 1. Potential users of the water supply salvaged do not appear to have ability to repay all of the construction costs.

The interests of the Federal Government, the States of New Mexico and Texas, and the other local agencies in the very serious Pecos River problems are recognized and have been exemplified by the numerous agency investigations of, and efforts to effect, the optimum conservation and use of the water of the basin. The Pecos River Commission, in cooperation with these agencies, is continuing the programs on water salvage and salinity alleviation.

Copies of the proposed report of this Department were transmitted to the affected States, the Pecos River Commission, and to the Federal agencies represented on the Interagency Committee on Water Resources for comments. All have submitted comments, and copies of their letters are attached to the report.

Before transmitting my report to the Congress for its information, I shall appreciate having advice concerning the relationship of this proposal to your program.

Sincerely yours,

DOUGLAS MCKAY,
Secretary of the Interior.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., May 17, 1956.

The Honorable the SECRETARY OF THE INTERIOR.

MY DEAR MR. SECRETARY: This is in reply to your letter of February 14, 1956, transmitting a report on the McMillan Delta pro-

ject, Pecos River Basin, N. Mex., and requesting advice as to its relationship to the program of the President.

The report presents engineering findings on a plan proposed by the Pecos River Commission and is transmitted for the information of the President and the Congress. The proposal would involve construction of a channel-heading structure, a low-flow conveyance channel of 1,500 cubic-feet per second capacity, a floodway levee, and a cleared floodway of 40,000 cubic-feet per second capacity extending about 16 miles through the delta area. It is estimated that construction of the proposed works would result in the annual salvage of 24,490 acre-feet of water now subject to nonbeneficial consumption by salt cedars in the delta area. Engineering studies to determine the effect of the project on the existing Carlsbad project downstream have not yet been completed.

The estimated project cost based on September 1954 prices is \$2,161,000 and is allocated entirely to irrigation. Based on amortization of the project cost over a 50-year period, the benefit-cost ratio using direct benefits, and not considering adverse effects of the plan on the storage capacity of Lake McMillan, is stated to be 1.6.

It is noted that the States of Texas and New Mexico are of the opinion that they will be able to finance a portion of the work estimated to cost \$288,700. Also, appropriate State agencies and local interests would operate and maintain the proposed project, at an estimated annual cost of \$52,800, based on projected long-term prices. The report does not include a detailed study of repayment possibilities but it states that the water users apparently would be unable to repay the construction costs of the project.

The State of New Mexico in commenting on the report recommends that the project be authorized, but because of objections raised by the Carlsbad Irrigation District, the State believes that clearing of the floodway channel should be delayed until the objections are resolved. The district is particularly concerned with the increased rate of sedimentation in Lake McMillan which would result if the floodway were cleared. With respect to this problem, the Bureau of Reclamation indicates that, in its judgment, the proposed works would be subject to objectionable hazard in the event of a major flood if the floodway were not cleared.

In the absence of a complete analysis of the economic and repayment aspects of the project, and in view of the reservations of the Bureau of Reclamation concerning its engineering aspects, the Bureau of the Budget is unable to advise you with respect to the relationship of the project to the program of the President. However, since it is understood that your Department is not recommending that the project be authorized for Federal construction at this time there would be no objection to submission of the report to the Congress for its information.

Sincerely yours,

ROBERT E. MERRIAM,
Assistant to the Director.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., June 11, 1956.

Hon. SAM RAYBURN,
Speaker of the House of Representatives,
Washington, D.C.

MY DEAR MR. SPEAKER: Transmitted herewith pursuant to the provisions of section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187) are my report and findings on the McMillan Delta project, Pecos River Basin, N. Mex.

The report presents engineering findings with respect to a plan specifically advanced by the Pecos River Commission for construction of a water salvage channel through the delta area upstream from Lake McMillan of the Carlsbad project to provide for salvage of Pecos River water presently being lost through nonbeneficial consumptive use. The November 1954 report of the regional director, Bureau of Reclamation, was made available to the Pecos River Commission in connection with its report on the initial development of water salvage and salinity alleviation action programs in the Pecos River Basin. The plan as proposed on the basis of cooperative studies sponsored by the commission consists principally of a low-flow conveyance channel, floodway, and levee extending about 16 miles through the delta area. The estimated construction cost is \$2,161,000 on the basis of September 1954 prices.

Copies of the proposed report were transmitted to the States of New Mexico and Texas, particularly to ascertain their views on their willingness, and the extent thereof, to participate in the project in terms of repayment, construction by them of any part or all of the project, assumption of annual operation and maintenance costs, responsibilities for division of the salvage water, and amount of reimbursable costs if undertaken as a Federal project, to Colorado, and to the Secretary of the Army, all in accordance with the requirements of the Flood Control Act of 1944 (58 Stat. 887), and to the State of New Mexico for the views and recommendations of the head of the agency exercising administration over the wildlife resources of that State in accordance with the provisions of the Act of August 14, 1946 (60 Stat. 1080). The Pecos River Commission and the Federal agencies represented on the Interagency Committee on Water Resources were also sent copies for their comments. Copies of the comments received from those recipients are attached.

It was understood that the Pecos River Commission was advancing this initial development of water salvage and salinity alleviation action programs in the Pecos River Basin as a partnership undertaking under Federal authorization and construction. As set forth in the attached comments the States of New Mexico and Texas are of the opinion that they will be able to finance a portion of the work estimated to cost about \$290,000 and that appropriate State agencies in conjunction with local interests would undertake operation and maintenance of the proposed project

works. The commission believes, however, that the national interest in the basin is such that the remaining costs of constructing the project should be nonreimbursable.

In those circumstances the report on the McMillan Delta project was transmitted to the President for his information and consideration with respect to its relationship to his program. A copy of May 17, 1956, letter from Mr. Robert E. Merriam, Assistant to the Director, Bureau of the Budget, is enclosed. Mr. Merriam's letter advises that there would be no objection to submission of the report to the Congress for its information.

Sincerely yours,

FRED G. AANDAHL,
Assistant Secretary of the Interior.

AUTHORIZING ACT

Joint resolution to authorize the construction of certain water conservation projects to provide for a more adequate supply of water for irrigation purposes in the Pecos River Basin, New Mexico and Texas. (Joint Resolution of February 20, 1958, 72 Stat. 17, Public Law 85-333.)

Whereas there has been an inadequate supply of water for beneficial consumptive uses in the Pecos River Basin, New Mexico and Texas, for a number of years; and

Whereas in recent years the shortage of water for beneficial consumptive uses in such basin has been aggravated by reason of the nonbeneficial consumptive use of water by salt cedars in such basin and by reason of the infiltration of brine into such river; and

Whereas the States of New Mexico and Texas, with the consent of Congress, entered into a compact in 1948 with respect to the Pecos River and one of the principal purposes of such compact was to provide for cooperation between the Federal Government and the States of New Mexico and Texas in studies and projects designed to make available a greater supply of water for beneficial consumptive uses in such basin; and

Whereas the Bureau of Reclamation and the Geological Survey, after investigation of certain conditions causing the shortage of water in the Pecos River Basin, have made reports in which they have respectively considered, for the purpose of alleviating such shortage, engineering and other aspects of the construction of a water salvage channel in such basin and the construction of works for the alleviation and salinity in such basin; and

Whereas the construction of such channel and works are estimated to cost \$2,600,000 and \$150,000, respectively, and the annual operation and maintenance costs for such channel and such works are estimated to be \$55,300 and \$4,300 a year, respectively; and

Whereas the States of New Mexico and Texas are ready and willing to make substantial contributions to the cost of construction of such channel and works if the United States will join with them in bearing such costs; and

Whereas State and local agencies in New Mexico and Texas are ready and willing to undertake equitably the financial burden of operating and maintaining such channel and works, and State and local agencies of Texas are ready and willing to undertake the financial burden of operating and maintaining the works for the alleviation of salinity in the Pecos River; and

Whereas the Legislature of the State of New Mexico has authorized the appropriation of \$290,000 to meet that State's share of the construction costs of the works; and

Whereas the value of benefits which will accrue to the United States from the construction of such channel and works, including restoration of the ability of water users in such basin to pay their contractual obligation of approximately \$3,500,000 to the United States, are substantially in excess of the share of the costs of construction of such channel and works to be borne by the United States: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is authorized to construct a one thousand five hundred cubic foot per second water salvage channel, levee, cleared floodway, and spur drains sufficient to drain McMillan Delta in the Pecos Basin in New Mexico substantially in accordance with the plans described in the report of the Secretary of the Interior entitled "McMillan Delta Project, Pecos River Basin, New Mexico", House Document 429, Eighty-fourth Congress, but with such modifications of, additions to, and deletions from said plans as the Secretary may find appropriate to accomplish the purposes of this joint resolution: *Provided, however,* That no money shall be appropriated for, and no work commenced on the clearing of the floodway called for in said report unless provisions shall have been made to replace any Carlsbad irrigation district terminal storage which might be lost by the clearing of the floodway: *Provided further,* That prior to construction of the water salvage channel the Secretary shall, unless clearance of the floodway is then assured, analyze the adequacy of the designed floodway levee and make such new designs therefor as will assure substantially the same standards of flood protection as would be achieved by the presently contemplated levee with a cleared floodway. The Secretary shall not proceed with the construction of such channel until (1) he has adequate assurance from the State of New Mexico that it will, as its share of the costs of construction of such channel, acquire such rights-of-way, complete such highway changes, and construct such bridges as may be necessitated by the construction of such channel and that it will build an access road to such channel, (2) he has adequate assurance from the Pecos River Commission or other State and local agencies in New Mexico and Texas that such commission or agencies in New

Mexico and Texas will operate and maintain such channel and other works authorized in this section, and (3) he has adequate assurance in the form of contracts with the Carlsbad Irrigation District, New Mexico, and the Red Bluff Water Power Control District, Texas, that they will return to the United States each year during a fifty-year period from the date of completion of the works authorized by this section, under terms and conditions satisfactory to the Secretary, such portion of the cost of constructing those works as is within their repayment ability, said repayment ability to be determined by the Secretary from time to time, but not more often than every five years, after consultation with said districts.

SEC. 2. [Alleviation of salinity.] The Secretary of the Interior is authorized to construct upon a nonreimbursable basis, works for the alleviation of salinity in the Pecos River Basin, New Mexico, substantially in accordance with the report entitled "Possible Improvement of Quality of Water of the Pecos River by Diversion of Brine, Malaga Bend, Eddy County, New Mexico," prepared by the Water Resources Division, Geological Survey, and dated December 1954, but with such modifications of, additions to, and deletions from said plans as the Secretary may find appropriate to accomplish the purposes of this joint resolution. The Secretary shall not proceed with the construction of such works until (1) he has adequate assurance from the State of New Mexico that it will, as its share of the costs of construction of such works, acquire such rights-of-way for wells, pipelines, and disposal areas as may be necessitated by the construction of such works, and (2) he has adequate assurance from the Pecos River Commission or other State and local agencies in Texas that Texas or local agencies therein will operate and maintain such works.

SEC. 3. [Reclamation laws govern.] The projects constructed under the authority of this joint resolution shall, except as otherwise provided herein, be governed by the Federal Reclamation Laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto), to which laws this Act shall be a supplement.

SEC. 4. [Pecos River Compact not abrogated.] Nothing contained in this joint resolution shall be construed to abrogate, amend, modify, or be in conflict with any provisions of the Pecos River Compact.

SEC. 5. [Appropriation authorized.] There are hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, such sums as may be required to carry out the purpose of this joint resolution.

MILK RIVER PROJECT

MONTANA

MALTA STREET IMPROVEMENTS

[Extract from] An act making appropriations for * * * certain agencies of the Department of the Interior, * * * for the fiscal year ending June 30, 1965, and for other purposes. (Act of August 30, 1964, 78 Stat. 686, Public Law 88-511.)

* * *

Construction and Rehabilitation. * * * That not to exceed \$26,000 shall be available for reimbursement to the city of Malta, Montana, for the cost of improvements to streets and appurtenant facilities adjoining property under the jurisdiction of the Department of the Interior in that city to be nonreimbursable and nonreturnable.

PARADISE VALLEY DIVERSION DAM

[Extract from] An act making appropriations for * * * certain agencies of the Department of the Interior, * * * for the fiscal year ending June 30, 1966, and for other purposes. (Act of October 28, 1965, 79 Stat. 1101, Public Law 89-299.)

* * *

Construction and Rehabilitation. * * * That not to exceed \$450,000 shall be available for replacement of the Paradise Valley Diversion Dam on the Milk River project, Montana, with facilities to serve the lands of the Paradise Valley Irrigation District, to be repaid in full under terms and conditions satisfactory to the Secretary of the Interior.

MINIDOKA PROJECT

IDAHO-WYOMING

AUTHORIZATION OF SNAKE RIVER BASIN POWER POOL

[Extract from] An act to authorize the Secretary of the Interior to enter into an amendatory contract with the Burley Irrigation District, and for other purposes. (Act of May 31, 1962, 76 Stat. 90, Public Law 87-472.)

SEC. 2. The Secretary is further authorized to negotiate with and enter into an amendatory contract with the Minidoka Irrigation District on a similar basis as set out in section 1, to coordinate his operation of the power facilities on the Minidoka project with the power facilities of other reclamation project installations in the Snake River Basin, and to account for the return of the reimbursable allocations of these installations in accordance with the Federal reclamation laws.

MISSOURI RIVER BASIN PROJECT

The Missouri River Basin Project was approved and the initial stages authorized by Section 9 of the Flood Control Act of December 22, 1944 (58 Stat. 884) which stated that the approved plan of development consists of "the general comprehensive plans set forth in House Document 475 and Senate Document 191, 78th Congress, 2nd Session, as revised and coordinated by Senate Document 247, 78th Congress, 2nd Session." Section 18 of the Flood Control Act of July 24, 1946 (60 Stat. 653) authorized the continuation of the entire comprehensive plan initiated by the Act of December 22, 1944.

While the present plan of development follows the original plans as presented in these documents, it also includes modifications and additions which are being determined by continuing investigations to be essential to full development of the basin resources. These have been progressively reported to the Congress.

Angostura Project had been authorized previously but was reauthorized and constructed as a unit of Missouri River Basin project, as described on page 645 of the 1957 edition of this publication.

Additional appropriations were authorized by successive Flood Control and other Acts to prosecute the comprehensive plan of the Flood Control Acts of 1944 and 1946. The appropriation authorization in the Act of July 19, 1966 (80 Stat. 322) prohibits the use of funds under such further authorizations to initiate construction of any unit whether in the comprehensive plan or not. The Ainsworth, Farwell, Garrison Diversion, Glendo, and Oahe Units, and Nebraska Mid-State Division have been separately authorized or reauthorized.

The report establishing the feasibility of the Garrison Diversion Unit was transmitted by the Secretary of the Interior to the Congress on February 3, 1960 (H. Doc. No. 325, 86th Cong.). A Supplemental Report on the Initial Stage was transmitted to the Congress by the Secretary on March 19, 1965. The unit was authorized by the act of Congress on August 5, 1965 (79 Stat. 433).

The "Mid-State Project" was investigated and found feasible for the Nebraska Mid-State Reclamation District on April 25, 1958, by R. W. Beck and Associates. The Nebraska Mid-State Division was authorized by Act of Congress as part of the Missouri River Basin project on November 14, 1967 (81 Stat. 444).

The feasibility report on the initial stage of the Oahe Unit, James Division, was transmitted by the Secretary to the Congress on August 29, 1967 (House Document No. 163, 90th Cong.). Construction of the initial stage was authorized by the Act of Congress on August 3, 1968 (82 Stat. 624).

JOINT REPORT ON DEVELOPMENT OF THE
MISSOURI RIVER BASIN[Senate Document No. 247, 78th Congress¹]WAR DEPARTMENT,
OFFICE OF THE DIVISION ENGINEER,
MISSOURI RIVER DIVISION,
Omaha, Nebr., October 17, 1944.

Subject: Joint report of representatives of Bureau of Reclamation and Corps of Engineers on plans for development of the Missouri River Basin.

To: The Chief of Engineers, United States Army, Washington, D.C., and the Commissioner, Bureau of Reclamation, Department of the Interior, Washington, D.C.

1. In accordance with instructions contained in letter of October 10, 1944, from the Commissioner of Reclamation to Mr. W. G. Sloan, assistant regional director, Bureau of Reclamation, Billings, Mont., and Mr. John Riter, acting director, Branch of Project Planning, Bureau of Reclamation, Denver, Colo., and letter of Missouri River division, a conference was held in Omaha, Nebr., on October 16-17, 1944, as a result of which the following joint report is submitted.

2. For purposes of discussion, the basin was divided into the following six subdivisions contained in the report of the Bureau of Reclamation, Senate Document No. 191, Seventy-eighth Congress, second session:

- (a) Upper Missouri River Basin.
- (b) Yellowstone River Basin.
- (c) Missouri River—Fort Peck to Sioux City.
- (d) Minor western tributaries.
- (e) Niobrara, Platte, and Kansas Rivers.
- (f) Lower Missouri Basin.

3. It was agreed that there were no points of conflict in the engineering features of the two plans in the following subdivisions:

- (a) Upper Missouri River Basin.
- (b) Minor western tributaries.
- (c) Lower Missouri Basin.

4. It was agreed that the Yellowstone River Basin be developed in accordance with the plans set forth in Senate Document No. 191, Seventy-eighth Congress, second session. With regard to the other two subdivisions all of the engineering features of both plans were agreed upon with the following modifications:

- (a) Missouri River: Fort Peck to Sioux City.

(1) The Gavins Point Reservoir and the Garrison Reservoir to be developed in accordance with House Document No. 475, Seventy-eighth Congress, second session.

(2) The Fort Randall Reservoir, the Big Bend Reservoir, and the Oahe Reservoir to be developed in accordance with Senate Document No. 191, Seventy-eighth Congress, second session.

(3) The Oak Creek Reservoir, as proposed in House Document

¹ Omitted from 1957 edition, which cited Senate Document No. 191 only.

No. 475, Seventy-eighth Congress, second session, to be eliminated.

(b) Niobrara, Platte, and Kansas Rivers: It was agreed to substitute the Bonny and Pioneer Reservoirs, as proposed in Senate Document No. 191, Seventy-eighth Congress, second session, for the Hale and Beecher Island Reservoirs as proposed in House Document No. 475, Seventy-eighth Congress, second session, and to substitute the Enders Reservoir as proposed in House Document No. 475, Seventy-eighth Congress, second session, for the Harvey Reservoir, as proposed in Senate Document No. 191, Seventy-eighth Congress, second session.

R. C. CRAWFORD,
Brigadier General, United States Army,
Division Engineer.

GAIL A. HATHAWAY,
Head Engineer,
Representing Office of the
Chief of Engineers.

W. G. SLOAN,
Assistant Regional Director,
Bureau of Reclamation,
Billings, Mont.

JOHN R. RITER,
Acting Director, Branch of Project Planning,
Bureau of Reclamation,
Denver, Colo.

OCTOBER 25, 1944.

To the SECRETARY OF WAR and the SECRETARY OF THE INTERIOR:

1. In view of the questions raised regarding the differences between the separate plans presented by the Corps of Engineers (H. Doc. 475, 78th Cong., 2d sess.) and the Bureau of Reclamation (S. Doc. 191, 78th Cong., 2d sess.) for the comprehensive development of the Missouri River Basin, a committee, composed of two representatives each from the Corps of Engineers and the Bureau of Reclamation, was appointed to review the engineering features of the two plans with a view of reconciliation between them.

2. The committee met at Omaha, Nebr., on October 16 and 17, 1944, discussed the various features of both plans, examined the supporting data for each plan, and prepared the enclosed joint engineering report. The joint engineering report points out that by making appropriate modifications it is possible to eliminate existing differences between the two plans.

3. It was possible to bring into agreement the plans of the Corps of Engineers and the Bureau of Reclamation by recognizing the following basic principles:

(a) The Corps of Engineers should have the responsibility for determining the reservoir capacities on the main stem and tributary reservoirs for flood control and navigation.

(b) The Bureau of Reclamation should have the responsibility for determining the reservoir capacities on the main stem and tributaries of the Missouri River for irrigation, the probable extent of future irrigation, and the amount of stream depletion due to irrigation development.

(c) Both agencies recognize the importance of the fullest development of the potential hydroelectric power in the basin consistent with the other beneficial uses of water.

4. For convenience in referring to the joint engineering report the following comparable six subdivisions contained in the report of the Bureau of Reclamation, Senate Document 191, Seventy-eighth Congress, second session, have been used:

- (a) Upper Missouri River Basin.
- (b) Yellowstone River Basin.
- (c) Missouri River—Fort Peck to Sioux City.
- (d) Minor western tributaries.
- (e) Niobrara, Platte, and Kansas Rivers.
- (f) Lower Missouri Basin.

UPPER MISSOURI RIVER BASIN

5. The plan presented in House Document 475, Seventy-eighth Congress, second session, does not specifically designate any units in the upper Missouri River Basin subdivision, although provisions are made for desirable and necessary projects in this area. The plan presented in Senate Document 191, Seventy-eighth Congress, second session, contemplates the construction of 19 reservoirs with a total storage capacity of 3,359,950 acre-feet for flood control, silt control, the development of hydroelectric power, the irrigation of 460,900 acres of new lands, and the provision of a supplemental water supply for 208,700 acres of land now being served with an inadequate water supply. There is no conflict in the proposed plans of the two agencies for the Upper Missouri River Basin subdivision.

YELLOWSTONE RIVER BASIN

6. The plan presented in House Document 475, Seventy-eighth Congress, second session, provides for the construction of Boysen Reservoir with a storage capacity of 3,500,000 acre-feet and the Lower Canyon Reservoir with a capacity of 2,250,000 acre-feet to be operated for flood control, irrigation, navigation, power, and other purposes. The plan presented in Senate Document 191, Seventy-eighth Congress, second session, provides for the construction of 27 reservoirs located on various streams in the Yellowstone River subdivision with a total storage capacity of 4,285,200 acre-feet; the reservoirs to be operated for flood control, silt control, the development of hydroelectric power, the irrigation of 509,560 acres of new lands, and the provision of a supplemental water supply for 204,500 acres of land now being served with an inadequate water supply. It was concluded that the plan described in Senate Document 191, Seventy-eighth Congress, second session,

would be adequate to accomplish the objectives of the plan described in House Document 475, Seventy-eighth Congress, second session.

MISSOURI RIVER—FORT PECK TO SIOUX CITY

7. The plan presented in House Document 475, Seventy-eighth Congress, second session, contemplates the construction of five additional multiple-purpose reservoirs on the main stem of the Missouri River for flood control, navigation, irrigation, power, domestic and sanitary purposes, wildlife, and recreation, as shown in the following table:

Project	Location	Approximate gross storage capacity (acre-feet)
Garrison	Near Garrison, N. Dak.	17,000,000
Oak Creek	Near Mobridge, S. Dak.	6,000,000
Oahe	Near Pierre, S. Dak.	6,000,000
Fort Randall	Near Wheeler, S. Dak.	6,000,000
Gavins Point	Near Yankton, S. Dak.	200,000

The plan also provides that as soon as substitute storage is built on the main stem of the river, the Fort Peck Reservoir will be operated as a multiple-purpose reservoir primarily in the interest of irrigation.

8. The plan presented in Senate Document 191, Seventy-eighth Congress, second session, contemplates the use of Fort Peck Reservoir primarily for irrigation purposes, also for navigation, flood control, silt control, and power, and the construction of main stem reservoirs to be operated for flood control, irrigation, navigation, power, silt control, and other purposes, as follows:

Project	Location	Approximate gross storage capacity (acre-feet)
Oahe	Near Pierre, S. Dak.	19,600,000
Fort Randall	Near Wheeler, S. Dak.	5,100,000
Big Bend	Near Joe Creek, S. Dak.	250,000

Senate Document 191, Seventy-eighth Congress, second session, also includes four inland reservoirs to assist in regulating the water diverted from the main stem and the irrigation of 2,292,900 acres of new lands in the Missouri River—Fort Peck to Sioux City subdivision.

9. After full discussion of the various features of the two plans in this subdivision the following main-stem reservoirs were recommended in the joint engineering report in order to more fully utilize the water resources of the basin and to most effectively serve the present and ultimate requirements of flood control, irrigation, navigation, hydroelectric power, and other uses.

Project	Location	Approximate gross storage capacity (acre-feet)
Garrison	Near Garrison, N. Dak.	17,000,000
Oahe	Near Pierre, S. Dak.	19,600,000
Fort Randall	Near Wheeler, S. Dak.	5,100,000
Big Bend	Near Joe Creek, S. Dak.	200,000
Gavins Point	Near Yankton, S. Dak.	200,000

The final storage capacities to be selected for the above reservoirs will be jointly agreed upon after more detailed plans and cost estimates have been made.

10. The Garrison Dam, Reservoir, and power plant was included in the coordinated plan as it provides a large volume of useful storage capacity for flood control, navigation, and irrigation, and permits the utilization of approximately 160 feet of head for the development of hydroelectric power in an area capable of absorbing the potential output and which, otherwise, has no prospective source of abundant low-cost power. A large reservoir at the Garrison site, situated immediately below the Yellowstone River with its large silt contribution, will prolong materially the life of downstream reservoirs.

11. The selection of the high Oahe Dam, Reservoir, and power plant as proposed in Senate Document 191, Seventy-eighth Congress, second session, floods out the Oak Creek Dam, Reservoir, and power plant as proposed in House Document 475, Seventy-eighth Congress, second session. The high Oahe Dam is required in connection with the irrigation of 750,000 acres of land in the James River Basin as well as to provide useful storage for flood control, navigation, the development of hydroelectric power, and other purposes. If the Oahe Reservoir is constructed to the elevation proposed in Senate Document 191, Seventy-eighth Congress, second session, a greater storage capacity will be provided than contemplated in the low Oahe and Oak Creek Reservoirs at considerably less cost.

12. The Fort Randall Dam in House Document 475, Seventy-eighth Congress, second session, and Senate Document 191, Seventy-eighth Congress, second session, utilizes the same site. However, House Document 475 contemplates a normal pool level at 1,375 mean sea level whereas Senate Document 191 contemplates a pool level at 1,365 mean sea level, in order to not interfere with the Big Bend power plant located near the upper limits of the reservoir. The Big Bend project is considered highly desirable in the ultimate development inasmuch as approximately 60 feet of head is thereby made available for the development of hydroelectric power. The use of the Garrison, high Oahe, Big Bend, Fort Randall, and Gavins Point Dams and Reservoirs as outlined above and agreed upon in the joint engineering report will provide the desired degree of flood control, supply the needs of irrigation as well as furnish cyclic storage for navigation during prolonged drought periods. The plan also utilizes practically all of the available power head in the Missouri River between the mouth of the Yellowstone River and the Gavins Point Dam.

MINOR WESTERN TRIBUTARIES

13. The plan of development presented in House Document 475, Seventy-eighth Congress, second session, does not specifically designate any units in the minor western tributaries subdivision, although provisions are made for desirable and necessary projects in this area. The plan presented in Senate Document 191, Seventy-eighth Congress, second session, provides for the construction of 15 reservoirs with a total storage capacity of 1,237,000 acre-feet, the reservoirs to be operated for flood control, silt control, the development of hydroelectric power, the irrigation of 212,980 acres of new lands, and the provision of a supplemental water supply for 11,300 acres of land now being served with an inadequate water supply. There is no conflict in the proposed plans of the two agencies for the minor western tributaries subdivision.

NIOBRARA, PLATTE, AND KANSAS RIVERS

14. The plan of development presented in House Document 475, Seventy-eighth Congress, second session, contemplates the construction of 9 reservoirs (of which 4 have been previously authorized) for flood control, irrigation, and other purposes. The lands to be irrigated were not specified in the report and were to be determined by later detailed investigation. The plan presented in Senate Document 191, Seventy-eighth Congress, second session, contemplates the construction of 22 reservoirs on various streams in the Niobrara, Platte, and Kansas Rivers subdivision with a total storage capacity of 5,650,400 acre-feet; the reservoirs to be operated for flood control, silt control, the irrigation of 1,284,060 acres of new land, and the provision of a supplemental water supply to 21,804 acres of land now being served with an inadequate water supply. The following substitutions were found to be desirable in the Kansas River Basin:

(a) On the south fork of the Republican River, the Bonny Reservoir, in Senate Document 191, was substituted for the Hale Reservoir in House Document 475 to permit the irrigation of approximately 6,500 acres of additional lands. The two reservoir sites are located within 4 miles of each other and for all practicable purposes would provide a comparable degree of flood control.

(b) On the Arickaree River the Pioneer Reservoir, in Senate Document 191, was substituted for the Beecher Island Reservoir in House Document 475 inasmuch as the Pioneer Reservoir controlled a larger drainage area, therefore was more advantageous for flood control and reconnaissance studies by the Bureau of Reclamation indicated that there were no lands suitable for irrigation between the two sites.

(c) On Frenchman Creek the Enders Reservoir in House Document 475, was substituted for the Harvey Reservoir in Senate Document 191, because the Enders Reservoir could be built to a greater capacity than the Harvey Reservoir, and would furnish additional flood protection for the Frenchman Creek Valley in

Nebraska. Both sites are suitably located to serve all potential irrigation developments.

LOWER MISSOURI BASIN

15. The plan of development as presented in House Document 475 and Senate Document 191 for this subdivision are identical, therefore no conflict in the engineering features of the two plans exist. The plans include seven reservoirs and a series of levees and appurtenant works along both sides of the Missouri River from the vicinity of Sioux City, Iowa, to the vicinity of the mouth of the Missouri River.

16. Development of the Missouri River Basin in accordance with House Document 475, Seventy-eighth Congress, second session, and Senate Document 191, Seventy-eighth Congress, second session, as coordinated in the enclosed joint engineering report, if authorized as a unified plan, will secure the maximum benefits for flood control, irrigation, navigation, power, domestic and sanitary purposes, wildlife, and recreation. Precise elevations and heights of reservoirs and dams, and final determinations of the power installations required, can be agreed upon after more detailed plans and cost estimates have been obtained and compared with benefits, and after consideration has been given to the desires and objections of persons affected by the proposed developments.

HARRY W. BASHORE,

*Commissioner,
Bureau of Reclamation,
Department of the Interior.*

E. REYBOLD,

*Major General,
Chief of Engineers, United States Army,
War Department.*

The above cited two documents constitute Senate Document No. 247, 78th Congress, 2d Session. A subsequent analysis of Senate Documents 191 and 247 determined that \$860,163,100 was the estimated cost of features to be built by the Bureau of Reclamation, out of the total \$1,257,627,700¹ in Senate Document No. 191 for both the Bureau and the Corps of Engineers.

INCREASES IN APPROPRIATION AUTHORIZATIONS

FLOOD CONTROL ACT OF 1958

[Extract from] An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes. (Act of July 3, 1958, 72 Stat. 297, 319, Public Law 85-500.)

SEC. 207. [Appropriation authorized. Missouri River Basin.] In addition to previous authorizations, there is hereby authorized to

¹ Letter of April 28, 1944, lists \$1,257,645,700.

be appropriated the sum of \$200,000,000 for the prosecution of the comprehensive plan adopted by section 9(a) of the Act approved December 22, 1944 (Public Law Numbered 534, Seventy-eighth Congress), as amended and supplemented by subsequent Acts of Congress, for continuing the works in the Missouri River Basin to be undertaken under said plans by the Secretary of the Interior.

FLOOD CONTROL ACT OF 1960

[Extract from] An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes. (Act of July 14, 1960, 74 Stat. 480, 502, Public Law 86-645.)

SEC. 210. [Appropriation authorized. Missouri River Basin.] In addition to previous authorizations, there is hereby authorized to be appropriated the sum of \$60,000,000 for the prosecution of the comprehensive plan adopted by section 9(a) of the Act approved December 22, 1944 (Public Law Numbered 534, Seventy-eighth Congress), as amended and supplemented by subsequent Acts of Congress, for continuing the works in the Missouri River Basin to be undertaken under said plans by the Secretary of the Interior.

ADDITIONAL AUTHORIZATION, FISCAL YEAR 1963

[Extract from] An Act authorizing additional appropriations for the prosecution of comprehensive plans for certain river basins. (Act of December 30, 1963, 77 Stat. 842, Public Law 88-253.)

SEC. 2. In addition to previous authorizations, there is hereby authorized to be appropriated the sum of \$16,000,000 for the prosecution of the comprehensive plan adopted by section 9(a) of the Act approved December 22, 1944 (Public Law Numbered 534, Seventy-eighth Congress), as amended and supplemented by subsequent Acts of Congress, for continuing the works in the Missouri River Basin authorized to be undertaken under said plan by the Secretary of the Interior.

FISCAL YEARS 1965 AND 1966 AUTHORIZATIONS AND REAUTHORIZATION REQUIRED

An act to increase the authorization for appropriation for continuing work in the Missouri River Basin by the Secretary of the Interior. (Act of August 14, 1964, 78 Stat. 446, Public Law 88-442.)

That, in addition to previous authorizations, there is hereby authorized to be appropriated for fiscal years 1965 and 1966 the sum

of \$120,000,000 for the prosecution of the comprehensive plan adopted by section 9(a) of the Act approved December 22, 1944 (Public Law Numbered 534, Seventy-eighth Congress), as amended and supplemented by subsequent Acts of Congress, for continuing the works in the Missouri River Basin to be undertaken under said plans by the Secretary of the Interior.

[Reauthorization for new work required.] No part of the funds hereby authorized to be appropriated shall be available to initiate construction of any unit of the Missouri River Basin project, whether included in said comprehensive plan or not, which is not hereafter authorized by Act of Congress.

FISCAL YEARS 1967 AND 1968 AUTHORIZATIONS

An act to increase the authorization for appropriation for continuing work in the Missouri River Basin by the Secretary of the Interior. (Act of July 19, 1966, 80 Stat. 322, Public Law 89-515.)

That there is hereby authorized to be appropriated for fiscal years 1967 and 1968 the sum of \$60,000,000 for continuing the works in the Missouri River Basin to be undertaken by the Secretary of the Interior pursuant to the comprehensive plan adopted by section 9(a) of the Act approved December 22, 1944 (Public Law Numbered 534, Seventy-eighth Congress), as amended and supplemented by subsequent Acts of Congress. No part of the funds hereby authorized to be appropriated shall be available to initiate construction of any unit of the Missouri River Basin project, whether included in said comprehensive plan or not.

An act to increase the appropriation authorization for continuing work in the Missouri River Basin by the Secretary of the Interior. (Act of September 22, 1967, 81 Stat. 228, Public Law 90-89.)

That the Act of July 19, 1966 (80 Stat. 322), is hereby amended by changing "\$60,000,000" to "\$68,000,000".

Note: Increase authorization "to continue work on the Tiber Dam of the Lower Marias unit to alleviate a dangerous weakening of the spillway in the dam" and "for continuation of the work on the Fort Thompson-Grand Island 345-kilovolt transmission line and the transmission facilities on the transmission division." (Secretary of Interior's letter dated Sept. 20, 1967, to Director, Bureau of the Budget.)

FISCAL YEARS 1969 AND 1970 AUTHORIZATIONS

An act to increase the authorization for appropriation for continuing work in the Missouri River Basin by the Secretary of the Interior. (Act of May 24, 1968, 82 Stat. 129, Public Law 90-315.)

That there is hereby authorized to be appropriated for fiscal years 1969 and 1970 the sum of \$59,000,000 for continuing the work in the Missouri River Basin to be undertaken by the Secre-

tary of the Interior pursuant to the comprehensive plan adopted by section 9(a) of the Act approved December 22, 1944 (Public Law Numbered 534, Seventy-eighth Congress), as amended and supplemented by subsequent Acts of Congress. No part of the funds hereby authorized to be appropriated shall be available to initiate construction of any unit of the Missouri River Basin project, whether included in said comprehensive plan or not.

AINSWORTH UNIT, SANDHILLS DIVISION ¹

NEBRASKA

UNITED STATES DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington 25, D. C., November 21, 1955.

THE PRESIDENT,
THE WHITE HOUSE,
Washington 25, D. C.

(Through the Bureau of the Budget.)

MY DEAR MR. PRESIDENT: My report on the Ainsworth unit, Nebraska, Missouri River Basin project, is transmitted herewith for your consideration, pursuant to the provisions of section 9 (a) of the Reclamation Project Act of 1939 and of Public Law 612, 83d Congress.

The Ainsworth unit will consist of a dam at the Merritt site on Snake Creek, a tributary of the Niobrara River in north-central Nebraska, a canal thence proceeding some 53 miles eastwardly to lands in the vicinity of Ainsworth, Nebr., and the necessary distribution, drainage, and other facilities to permit the irrigation of some 34,000 acres of land. The project lands are completely suitable to this type of agriculture. The landowners have expressed a desire for the project to be built and have formed the necessary organization to contract with the Government for repayment of those costs within their ability to repay. Irrigation is necessary in this area to provide a stable diversified agricultural economy and to complement the existing livestock enterprise because rainfall normally is insufficient and is often unfavorably distributed. The total estimated construction cost is \$25,934,000, 98 percent of which is allocated to irrigation. Water users could repay about one-third of this amount in 40 years, in addition to operation and maintenance of the project, and the remainder would be repaid from surplus revenues derived from other units of the

¹ These documents omitted from 1957 edition.

Missouri River Basin project. The unit has an overall benefit-cost ratio of 2.16 to 1, based upon our customary method of calculation, under criteria specified by the Bureau of the Budget, i.e., 50-year period of analysis, the benefit-cost ratio would be 1.98 to 1 for overall benefits and 0.78 to 1 using only direct benefits.

The Ainsworth unit was 1 of 4 units authorized for construction under the Missouri River Basin project by Public Law 612, 83d Congress, with the proviso that construction not be undertaken until a report demonstrating the physical and economic feasibility had been completed, reviewed by the affected States, and approved by the Congress. This report, prepared to conform with that proviso, was transmitted to officials of the States of the Missouri River Basin and to the Secretary of the Army for their consideration and recommendation. It was sent also to the State of Nebraska for the comments of the head of the agency exercising administration over the wildlife resources of that State, and to the Departments of Agriculture, Commerce, Labor, and Health, Education, and Welfare, and the Federal Power Commission in accordance with interagency agreements. All reviewing agencies, except the State of North Dakota which is not vitally concerned, have submitted comments, and copies are enclosed with the report.

I shall appreciate having advice concerning the relationship of the Ainsworth unit, Missouri River Basin project, to your program. I plan to transmit the report to the Congress for its consideration and appropriate action at the opening of the 2d session of the 84th Congress.

Sincerely yours,

DOUGLAS MCKAY,
Secretary of the Interior.

UNITED STATES DEPARTMENT OF THE INTERIOR,

OFFICE OF THE SECRETARY,

Washington 25, D. C., February 2, 1956.

HON. SAM RAYBURN,
Speaker of the House of Representatives,
Washington 25, D. C.

MY DEAR MR. SPEAKER: The report of the Department of the Interior on the Ainsworth unit, Nebraska, of the Missouri River Basin project is transmitted pursuant to the provision of section 2 of Public Law 612, 83d Congress, 2d session (68 Stat. 757), which reads as follows:

"Construction of the units herein authorized to be included in the Missouri River Basin plan shall not be undertaken until a report demonstrating their physical and economic feasibility has been completed, reviewed by the affected States, and approved by the Congress."

The Ainsworth unit is proposed to provide a surface water supply and facilities to irrigate some 34,000 acres of land in north-

central Nebraska. The engineering and economic feasibility of the unit is demonstrated in the basic report of the regional director, as concurred in by the Commissioner of Reclamation. Practically the entire construction cost of \$25,934,000 is allocated to irrigation and will be repaid by direct contract with the water users and revenues from other units of the Missouri River Basin project, in accordance with reclamation law.

Copies of this Department's proposed report were transmitted to the affected States, and to the agencies represented on the Inter-agency Committee on Water Resources for comments. Copies of the official comments which have been received are enclosed.

The report and copies of all comments were transmitted to the President. Enclosed is a copy of the letter of comments of January 26, 1956, from Assistant Budget Director Percy Rappaport.¹

Sincerely yours,

FRED G. AANDAHL,
Acting Secretary of the Interior.

ANGOSTURA UNIT, CHEYENNE DIVISION

SOUTH DAKOTA

SECRETARY OF AGRICULTURE TO COMPLETE LAND DEVELOPMENT ²

An act to authorize completion of the land development and settlement of the Angostura unit of the Missouri Basin project, notwithstanding a limitation of time. (Act of October 10, 1949, 63 Stat. 725, Public Law 81-337.)

That the Secretary of Agriculture may complete the land development and settlement of the Angostura unit of the Missouri Basin project situated in Custer and Fall River Counties, South Dakota, to which, for this purpose only the provisions of section 5 of the Act of July 16, 1943 (57 Stat. 566, 567), shall be, and the same are hereby, extended and shall be in full force and effect to the same extent as though the requirements thereof had been completed prior to June 30, 1947.

¹ Excluded from this publication.

² Omitted from 1957 edition.

DICKINSON UNIT, HEART DIVISION

NORTH DAKOTA

SAFETY AND PUBLIC USE FACILITIES

[Extract from] An act making supplemental appropriations for the fiscal year ending June 30, 1957, and for other purposes. (Act of July 31, 1956, 70 Stat. 763, 771, Public Law 84-855.)

Construction and Rehabilitation: * * * and not to exceed \$25,000 shall be available for the construction of safety and public use facilities at the Dickinson Unit, North Dakota, Missouri River Basin project.

EDWARD ARTHUR PATTERSON LAKE

Joint resolution to designate the lake to be formed by the waters impounded by the Dickinson Dam in the State of North Dakota as "Edward Arthur Patterson Lake." (Joint resolution of August 25, 1959, 73 Stat. 417, Public Law 86-185.)

That the lake to be formed by the waters impounded by the Dickinson Dam in the State of North Dakota shall hereafter be known as "Edward Arthur Patterson Lake", and any law, regulation, document or record of the United States in which such lake is designated or referred to shall be held to refer to such lake under and by the name of "Edward Arthur Patterson Lake".

FRENCHMAN-CAMBRIDGE DIVISION

NEBRASKA

TRENTON DAM AND SWANSON LAKE

An act to change the name of Culbertson Dam on the Republican River in the State of Nebraska to "Trenton Dam" and to name the body of water arising behind such dam "Swanson Lake." (Act of May 12, 1949, 63 Stat. 66, Public Law 81-61.)

That the dam under construction on the Republican River in the State of Nebraska, heretofore known, designated, and re-

ferred to as "Culbertson Dam", shall hereafter be designated and referred to as "Trenton Dam". Any law, regulation, document, or record of the United States in which such dam is designated or referred to under and by the name "Culbertson Dam" shall be held and considered to refer to such dam under and by the name of "Trenton Dam". The body of water arising behind such dam shall hereafter be designated and referred to as "Swanson Lake" in commemoration of Carl H. Swanson.

HARRY STRUNK LAKE

An act to change the name of Medicine Creek Reservoir in Frontier County of the State of Nebraska to "Harry Strunk Lake." (Act of July 9, 1952, 66 Stat. 480, Public Law 82-474.)

That the reservoir behind Medicine Creek Dam in Frontier County of the State of Nebraska, heretofore known, designated, and referred to as "Medicine Creek Reservoir", shall hereafter be designated and referred to as "Harry Strunk Lake". Any law, regulation, document, or record of the United States in which such reservoir is designated or referred to under and by the name of "Medicine Creek Reservoir" shall be held and considered to refer to such reservoir under and by the name of "Harry Strunk Lake".

RED WILLOW DAM

[House Document No. 437, 85th Cong.]

DEPARTMENT OF THE INTERIOR.

OFFICE OF THE SECRETARY,
Washington, D.C. August 1, 1958.

Hon. SAM RAYBURN,
Speaker of the House of Representatives.

DEAR MR. SPEAKER: The report of the Department of the Interior on Red Willow Dam and Reservoir and associated works, Frenchman-Cambridge division, Missouri River Basin project, Nebraska, is transmitted herewith for your consideration, pursuant to the provisions of Public Law 505, 84th Congress (70 Stat. 126).

Red Willow Dam is an authorized feature of the Missouri River Basin project. By the act of May 2, 1956 (Public Law 505) administrative jurisdiction over its construction, operation, and maintenance was transferred from the Secretary of the Army to the Secretary of the Interior, with the proviso that no expenditure of funds for construction of the works be made until a report demonstrating that the project is economically justified has been submitted, with the approval of the President, to the Congress

and the Congress has approved such report. The attached¹ documents are in fulfillment of that proviso.

The features proposed in the report will complete the storage and distribution systems for the multiple-purpose Frenchman-Cambridge division of the Missouri River Basin project. Red Willow Reservoir will provide storage capacity for irrigation, flood control, fish and wildlife, and recreational purposes. It will serve directly some 4,150 acres of irrigable land and, in coordinated operation with other features of the Frenchman-Cambridge division, it will provide virtually complete control and utilization of the water resources of the area.

The cost of the works proposed is estimated at \$9,808,000 (April 1957 prices), of which \$3,622,000 are allocated to non-reimbursable purposes and \$6,186,000 are allocated to irrigation and will be repaid in accordance with reclamation law. That portion of the reimbursable cost allocation which is beyond the ability of the water users to repay will be derived from Missouri River Basin project power revenues.

Copies of the proposed report on Red Willow Dam and Reservoir and associated works were transmitted to the affected States, the Secretary of the Army, and to interested Federal agencies for comments. The report and copies of all comments received were then transmitted to the President through the Bureau of the Budget. Enclosures to this letter include the Department's report,¹ copies of all letters of comment¹ received, and a letter from the President, dated July 29, 1958, indicating his approval of the report.

Sincerely yours,

FRED A. SEATON,
Secretary of the Interior.

THE WHITE HOUSE,
Washington, July 29, 1958.

Hon. FRED A. SEATON,
Secretary of the Interior.

DEAR MR. SECRETARY: This is in reply to your letter of June 30, 1958, transmitting your report on the Red Willow unit, Missouri River Basin project, Nebraska. The report has been prepared pursuant to Public Law 505, 84th Congress, which requires approval by the Congress of a report demonstrating the economic justification of the Red Willow unit prior to any expenditures of funds for its construction.

I herewith approve the presentation of your report on the Red Willow unit to the Congress for its consideration.

Sincerely,

DWIGHT D. EISENHOWER.

¹ Excluded from this publication.

APPROVAL OF ECONOMIC REPORT

Joint resolution to approve the report of the Department of the Interior on Red Willow Dam and Reservoir in Nebraska. (Act of August 27, 1958, 72 Stat. 937, Public Law 85-783.)

Whereas the Red Willow Dam and Reservoir in Nebraska was authorized to be constructed by the Corps of Engineers in the 1944 Flood Control Act (58 Stat. 887); and

Whereas, by the Act of May 2, 1956 (70 Stat. 126), the Congress transferred such construction responsibility to the Secretary of the Interior but provided therein that no expenditure of funds shall be made for such construction until the Secretary of the Interior submitted to Congress a report demonstrating the Red Willow project to be economically justified, and Congress approved such report; and

Whereas the Department of the Interior has completed a report on the engineering and economic feasibility of the proposed Red Willow Dam and Reservoir: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the report of the Secretary of the Interior demonstrating economic justification for construction and operation of the Red Willow Dam and Reservoir is hereby approved.

GLENDO UNIT, OREGON TRAIL DIVISION

WYOMING-NEBRASKA

SEWERAGE SYSTEM TO SERVE TOWN OF GLENDO ¹

An act to authorize the Secretary of the Interior to include capacity to serve the town of Glendo, Wyoming, in a sewerage system to be installed in connection with the construction of Glendo Dam and Reservoir, and for other purposes. (Act of August 9, 1955, 69 Stat. 560, Public Law 84-283.)

[Sewerage system to serve Glendo.] That the Secretary of the Interior is authorized, in connection with the installation of a sewerage system to serve the Government construction camp and housing facilities at Glendo Dam and Reservoir (68 Stat. 486) and upon the terms and conditions hereinafter set forth, to install sufficient capacity to serve also the town of Glendo, a municipal corporation of the State of Wyoming, and to transfer all right, title, and interest of the United States in and to said system (including necessary rights-of-way) to said town. The total capacity of said system shall not exceed that required to serve five hundred

¹ Omitted from 1957 edition.

persons and no commitment between the United States and the town with respect to the construction thereof shall require the expenditure of more than \$75,000. The terms and conditions of this authorization are that the town shall have—

(a) transferred or agreed to transfer to the United States, without cost to the United States, such interest in land required for construction of the sewerage system as is satisfactory to the Secretary;

(b) transferred or agreed to transfer to the United States, without cost to the United States, fee title to ten acres of land for the construction of said camp and housing facilities or such other interest in said land as is satisfactory to the Secretary for that purpose. In the event said land is not located within the then corporate limits of the town, the town shall take all necessary and proper steps under the laws of the State of Wyoming to extend its limits to include said land;

(c) connected and run or agreed to connect and run a water main or mains to such locations on the property line of said land as are agreed upon by the town and the Secretary and agreed to furnish water for the use in said camp and housing facilities and by the residents therein on the same terms and considerations on which it furnishes water to other properties and residents in the town of Glendo. Necessary water meters will be furnished by the United States;

(d) agreed to furnish, without cost to the United States, fire and police protection service to the camp and housing facilities on said land on the same basis and under the same conditions as it furnishes such services to other properties and to inhabitants of the town of Glendo;

(e) agreed to accept such streets and alleys (including rights-of-way therefor) as are constructed by the United States on said land and dedicated by the United States to public purposes and to maintain and keep said streets and alleys in good and serviceable condition without cost to the United States. Necessary streets and alleys constructed by the United States on said land will be of type and quality comparable to existing streets and alleys within the present limits of the town of Glendo;

(f) installed or agreed to install street lights on the streets and alleys constructed by the United States on said land and agreed to maintain said lights and to furnish the electricity necessary for their operation, such installation, maintenance, and electric service to be furnished to the same extent and in like manner as is afforded on other streets within the limits of the town of Glendo and without cost to the United States;

(g) arranged or agreed to arrange for electric and natural-gas service to said camp and housing facilities and to the residents therein on the same terms and conditions as such service is furnished to other properties and residents in the town of Glendo;

(h) agreed to the United States use of the sewerage system throughout its useful life to the extent of that capacity which is required to serve one hundred and fifty persons and agreed furthermore, that it will operate and maintain said system in conformity with standards agreed upon by the town and the Secretary (which standards shall be those generally employed for the maintenance of similar facilities) and in a manner permitting the satisfactory use of said capacity by the United States, all without cost to the United States.

GRAY REEF DAM AUTHORIZING ACT

An act to authorize the Gray Reef Dam and Reservoir as a part of the Glendo unit of the Missouri River Basin project. (Act of August 20, 1958, 72 Stat. 687, Public Law 85-695.)

SEC. 1. [Gray Reef Dam.] That the Glendo unit of the Missouri River Basin project, as authorized by the joint resolution of July 16, 1954 (68 Stat. 486), is modified to provide for the construction and operation of the small reregulating Gray Reef Dam and Reservoir on the North Platte River downstream from Alcova Dam at an estimated cost of \$700,000.

SEC. 2. [Appropriation authorized.] There are authorized to be appropriated such amounts as may be necessary to carry out the provisions of this Act: *Provided*, That no construction shall proceed until a feasibility report has been approved by the Secretary of the Interior and submitted to the President and the Congress.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., March 21, 1959.

The PRESIDENT,
The White House,
Washington, D.C.

(Through Bureau of the Budget.)

DEAR MR. PRESIDENT: My report on Gray Reef Dam and Reservoir, Glendo unit, Wyoming, Missouri River Basin project, is transmitted herewith for your consideration, pursuant to the provisions of Public Law 85-695.

Gray Reef Dam is proposed to reregulate releases from Alcova Dam and powerplant on the North Platte River. It is needed to permit operation of the North Platte power system more nearly in accordance with the power needs of the area, and to provide additional benefits. The plan is feasible and economically justified by overall benefits which exceed the costs. The entire cost of Gray Reef Dam and Reservoir is allocated to commercial power and

can be repaid within 50 years from Missouri River Basin project power revenues.

Public Law 85-695 authorizes Gray Reef Dam as a feature of the Glendo unit, but requires that a feasibility report be approved by the Secretary of the Interior and submitted to the President and the Congress before construction may proceed. I shall appreciate having advice concerning the relationship of this project to your program before I transmit the report to the Congress.

Sincerely yours,

FRED A. SEATON,
Secretary of the Interior.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., May 12, 1959.

Hon. SAM RAYBURN,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: My report on Gray Reef Dam and Reservoir, Glendo unit, Wyoming, Missouri River Basin project, is transmitted herewith for your consideration, pursuant to the provisions of Public Law 85-695.

Gray Reef Dam is proposed to reregulate releases from Alcova Dam and powerplant on the North Platte River. It is needed to permit operation of the North Platte power system more nearly in accordance with the power needs of the area and to provide additional benefits. The plan is feasible and economically justified by overall benefits which exceed the costs. The entire cost of Gray Reef Dam and Reservoir is allocated to commercial power and can be repaid within 50 years from Missouri River Basin project power revenues.

Public Law 85-695 authorizes Gray Reef Dam as a feature of the Glendo unit but requires that a feasibility report be approved by the Secretary of the Interior and submitted to the President and the Congress before construction may proceed. The report was submitted to the President through the Bureau of the Budget on March 21, 1959. This transmittal completes our compliance with that provision of law.

Sincerely yours,

FRED A. SEATON,
Secretary of the Interior.

HEART BUTTE UNIT, HEART DIVISION

NORTH DAKOTA

LAKE TSCHIDA

An act designating the reservoir located above Heart-Butte Dam in Grant County, North Dakota, as Lake Tschida, and for other purposes. (Act of July 28, 1958, 72 Stat. 424, Public Law 85-562.)

That the reservoir located above the Heart-Butte Dam in Grant County, North Dakota, shall hereafter be known as Lake Tschida, and any law, regulation, document, or record of the United States in which such reservoir is designated or referred to shall be held to refer to such reservoir under and by the name of Lake Tschida.

JAMESTOWN UNIT, GARRISON DIVISION

NORTH DAKOTA

PUBLIC USE AND SAFETY FACILITIES

[Extract from] An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1955, and for other purposes. (Act of July 1, 1954, 68 Stat. 361, 366, Public Law 83-465.)

Construction and Rehabilitation: * * * That not to exceed \$45,000 of the unexpended funds heretofore appropriated for the Jamestown unit (North Dakota), Missouri River Basin project, shall be available for public use and safety facilities at said unit: * * *

RAPID VALLEY UNIT, CHEYENNE DIVISION

SOUTH DAKOTA

PACTOLA DAM, REIMBURSABILITY

[Extract from] An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1954, and for other purposes. (Act of July 31, 1953, 67 Stat. 261, 266, Public Law 83-172.)

Construction and Rehabilitation: * * * That not to exceed \$1,000,000 of the amount appropriated herein for the Missouri River Basin Project shall be nonreimbursable representing that portion of the cost of Pactola Dam allocated to furnishing a water supply for Ellsworth Air Force Base: * * *

YELLOWTAIL UNIT, LOWER BIGHORN DIVISION

MONTANA-WYOMING

TRANSFER OF RIGHT-OF-WAY

[Extract from] Joint resolution to provide for transfer of right-of-way for Yellowtail Dam and Reservoir, Hardin Unit, Missouri River Basin project and payment to Crow Indian Tribe in connection therewith, and for other purposes. (Joint resolution of July 15, 1958, 72 Stat. 361, Public Law 85-523.)

SEC. 1. [Right-of-way payment.] That, from funds appropriated to the Department of the Interior, Bureau of Reclamation, for the Missouri River Basin project, there shall be transferred in the Treasury of the United States to the credit of the Crow Tribe of Indians, Montana, the sum of \$2,500,000. Said sum is intended to include both just compensation for the transfer to the United States as herein provided of all right, title, and interest of the Crow Tribe in and to the tribal lands described in section 2 of this resolution, except such as is reserved or excluded in said section 2, and a share of the special value to the United States of said lands for utilization in connection with its authorized Missouri River Basin project, in addition to other justifiable considerations. Nothing contained in this joint resolution shall be taken as an admission by the United States that it is under any legal obligation to pay more than just compensation to said Crow Tribe

and, in any suit brought as provided in section 3 of this resolution, no amount in excess of the sum above stated shall be awarded unless the court finds that the whole of said sum is less than just compensation for all of the tribal right, title, and interest taken. No attorney fees shall be allowed out of the amount paid under authority of this section. Neither the initial transfer of such funds to the Tribe, as provided herein, nor any subsequent per capita distribution thereof shall be subject to Federal income tax.

SEC. 2. [Land transfer.] (a) Subject to the provisions of this section, there is hereby transferred to the United States the right, title, and interest of the Crow Tribe in and to lands situated in the Big Horn County, Montana, hereinafter described under the headings "PARCEL A" and "PARCEL B."

FUNDS FOR ACCESS ROADS NONREIMBURSABLE

[Extract from] An act making appropriations for * * * certain agencies of the Department of the Interior, * * * for the fiscal year ending June 30, 1962, and for other purposes. (Act of September 30, 1961, 75 Stat. 722, 725, Public Law 87-330.)

Construction and Rehabilitation: * * * That not to exceed \$192,000 of funds made available for construction and maintenance of access roads in the Yellowtail Unit area shall be nonreimbursable: * * *

GARRISON DIVERSION UNIT, GARRISON DIVISION

NORTH DAKOTA-SOUTH DAKOTA

U.S. DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., April 19, 1957.

The SECRETARY OF THE INTERIOR.

SIR: This is my proposed report on the Garrison diversion unit, North and South Dakota, a unit of the Missouri River Basin project. It is based upon a report dated January 1957 by the regional director, Billings, Mont., a copy of which is appended to this letter.¹

The plan consists of the principal supply works and the water use works. The principal supply works, which bring the water

¹ Excluded from this publication.

from the Missouri River at Garrison Reservoir to the service area, are the Snake Creek Reservoir and pumping plant, the McClusky Canal, and Lonetree Reservoir. From Lonetree Reservoir, the water use works consist of a system of canals radiating out to the north, east, and south to serve tracts of irrigable land in the watersheds of the Souris, Sheyenne, and James Rivers, totaling 1,007,000 acres.

Because of the long construction and development period anticipated on this unit, studies have been made of possible stage construction plans, and it has been found that a two-stage approach is desirable. The principal supply works would be built initially to serve 407,000 acres, less than one-half ultimate capacity, and water use works would be provided to those areas where irrigation is most desired. During the first 5 years of construction activity, work and funds will be concentrated upon the diversion works to and including Lonetree Reservoir at an estimated construction cost of \$54 million. The construction cost of the entire first stage is estimated to be \$255,164,000.

The construction cost for the entire Garrison diversion unit is estimated, at January 1956 prices, at \$529,379,000. One feature included in this estimate, Jamestown Dam and Reservoir, has been built and is currently being operated for flood control. The remaining construction cost is estimated at \$519,985,000. Other costs assignable to the unit include a portion of the cost of Garrison Reservoir, a part of the Missouri River Basin project power investment, and interest during construction on municipal water and power allocations. The total investment cost is tentatively allocated thus:

Reimbursable:	
Irrigation	\$616,557,000
Municipal and industrial water	25,439,000
Power (Jamestown Dam penstocks)	41,000
Subtotal	642,037,000
Nonreimbursable:	
Fish and wildlife	49,057,000
Recreation	2,068,000
Flood control	1,889,000
Subtotal	53,014,000
Total	695,051,000

These estimates include the cost of purchasing rights-of-way for major canals and drains on lands west of the 100th meridian, even though the act of August 30, 1890 (26 Stat. 371, 391, 43 U.S.C. sec. 945), reserved such rights-of-way to the United States in lands patented after the date of that act. Legislative action will be necessary if payment is to be made for the rights now reserved to the United States.

The Garrison diversion unit will have a major impact upon fish and wildlife habitat and upon recreation opportunities in the area. The costs of facilities to protect and enhance these resources are included in the project cost estimate. In addition to works to

protect the important Lower Souris National Wildlife Refuge and to reestablish Devils Lake as a major recreational resource, some 60 separate areas have been marked for development for preservation and enhancement of fish and waterfowl. All these developments are part of a program of more than local significance, being located on a principal North American flyway, and as such warrant nonreimbursable allocations of cost. The important Devils Lake restoration feature is to be included in the first stage of development. Legislative authority to provide for these extensive enhancement areas and recreation features, and to do so on a non-reimbursable basis, is called for.

It is estimated that water users' payments and conservancy district revenues will retire \$107,384,000, or 17.4 percent of the irrigation allocation, leaving \$509,172,000 to be borne by Missouri River Basin project power revenues. The municipal water allocations would be paid out, with interest, in 50 years. Recent analyses of the Missouri River Basin project indicate that adequate surplus power revenues will be available to meet the requirements of the Garrison diversion unit.

It is important to note that the Garrison diversion unit is a long range plan. At least 25 years will elapse between the first appropriation of construction funds and full utilization and production on all of the areas to receive irrigation water in the first stage of development.

Thereafter, construction of facilities and subjugation of lands to irrigation will proceed as dictated by the growth of demand for irrigation and the annual appropriation of funds by the Congress. Greatest efficiency will probably be attained in a total construction program spread over about 60 years, dependent, of course, upon local and national economic conditions and the agricultural products supply and demand situation and upon the rate of acceptance by the farmers of the change from dryland farming to irrigation.

Benefits exceed costs in the ratio of 1.40 to 1 for the first stage and 1.42 to 1 for the ultimate stage. Calculation of the benefits and costs for the initial stage under criteria set forth in Budget Bureau Circular A-47 results in a ratio of 1.03 to 1 for all benefits and 0.53 to 1 for direct benefits only. Analysis of the ultimate stage cannot be made under A-47 criteria due to the length of construction and development periods involved.

The proposal is financially feasible, economically justified, and outstandingly advantageous to all concerned at the local, State, and National levels. It will enable the affected areas to shift their agricultural emphasis from unstable, price-supported, one-crop economies to stabilized, diversified, and intensive general farming, with consequent benefits extending far beyond the project boundaries. It will reverse the trend of recent years, where population has been declining while in other areas of the Nation it has moved steadily upward. It will provide opportunities for thousands of deserving citizens to settle upon good family-size farms. Considerable State and local interest in this project is evident

from the passage of legislation to authorize a conservancy district and its prompt formation and activity, from progress being made to form irrigation districts and other contracting entities, and from numerous expressions of interest and support from people in all walks of life—from the Governor and legislators to individual farmers and landowners.

I concur in the recommendation of the regional director that the plan of development contained in his report be approved as the basic plan for development of the Garrison diversion unit and that there be initiated whatever action is deemed necessary to lead to its early construction.

Because of modifications resulting from detailed studies which have improved the plan over that described in Senate Document 191, 78th Congress, and because some clarification and amendments of reclamation law are deemed desirable with regard to application of the act of August 30, 1890, cited above, and in respect to costs associated with fish and wildlife enhancement areas and with recreation facilities, I recommend that this report be used as the basis for seeking such modifying legislation and appropriations as may be required to put the Garrison diversion unit under construction.

Subject, of course, to consideration of comments received, I recommend that you approve and adopt this report as your proposed report and that you authorize its transmittal to the Governors of the affected States of the Missouri River Basin and to the Secretary of the Army in accordance with the requirements of the Flood Control Act of 1944, to the Governors of North Dakota and South Dakota for any report and recommendations which the heads of the agency exercising administration over the wildlife resources of those States may wish to make in accordance with the provisions of the act of August 14, 1946 (60 Stat. 1080), and to the Federal agencies represented on the Interagency Committee on Water Resources for their comments. Upon receipt of replies in response to these transmittals, copies of the report together with comments which are received will be submitted for your further consideration and appropriate action.

Respectfully,

W. A. DEXHEIMER,
Commissioner.

Approved and adopted, June 12, 1957.

FRED A. SEATON,
Secretary of the Interior.

U.S. DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., January 20, 1958.

The SECRETARY OF THE INTERIOR.

SIR: This is my report on the Garrison diversion unit, Missouri River Basin project, North Dakota and South Dakota. It is based

upon and includes the proposed report on this project which you approved and adopted on June 12, 1957.

Copies of the proposed report were transmitted to all of the States of the Missouri River Basin and to the Secretary of the Army in accordance with the provisions of section 1(c) of the Flood Control Act of 1944 and to the States of North Dakota and South Dakota specifically for comments from the heads of the agencies exercising administration over the wildlife resources of those States in accordance with the provisions of the act of August 14, 1946. Other agencies of the Federal Government were sent copies in accordance with the agreements on coordination of reports of the Interagency Committee on Water Resources. There are attached ¹ copies of the letters which have been received from the States of Iowa, Kansas, Missouri, Nebraska, North Dakota, South Dakota, and Wyoming, and from the Departments of Agriculture, Army, Commerce, Health, Education, and Welfare, Labor, and the Federal Power Commission.

Several of the States in the lower portion of the basin expressed concern over the magnitude of depletions of Missouri River flows involved in the proposal and the effect of such depletions upon future uses of Missouri River water in those States. It is pertinent that the depletions now proposed are substantially less than those originally anticipated for the Missouri-Souris unit and which were recognized at the time the Missouri River Basin project was authorized by the Congress. The authorizing legislation did not provide for maintenance of any specific minimum flow in the river through the lower portion of the basin. It did specify that the use of water for navigation shall be only such use as does not conflict with beneficial consumptive uses upstream.

Actually, the proposed consumptive use of water from the Missouri River for the Garrison diversion unit is small compared with the annual runoff at such downstream points as Sioux City, Iowa, and Kansas City, Mo. Net depletion of the Missouri River for the unit under ultimate project conditions will average about 2,500,000 acre-feet annually. The Missouri Basin Interagency Committee report dated April 1951, on "Adequacy of Flows in the Missouri River" shows long-term average annual runoff at Sioux City over 24 million acre-feet and at Kansas City over 41 million acre-feet. During the worst drought period on record, these flows averaged about 15 million acre-feet and 24 million acre-feet, respectively. Fulfillment of water requirements at Sioux City will satisfy all downstream requirements since yield of tributaries below that point will exceed all foreseeable demands. With the storage regulation available when the main stream dams are completed the interagency committee report indicates that flows at Sioux City, under depletion assumptions approximating ultimate Garrison unit diversion conditions, could meet all anticipated domestic, municipal, and sanitary requirements as well as satisfactory navigation needs even under adverse climatic conditions. If the total future depletions for all uses estimated in the intera-

¹ Excluded from this publication.

gency report are developed eventually, including the Garrison diversion unit, some curtailment of navigation in adverse periods will be necessary, but water for other, more essential, uses appears to be plentiful.

Gov. John E. Davis, of North Dakota, in approving the report and pledging cooperation of the State, expressed the reservation that relaxation of land limitation of reclamation law might in certain areas be conducive to more economical operation. The fact that permanent irrigation service to as much as 320 acres in joint ownership of man and wife is permitted would appear to meet Governor Davis' concern in a large part, although not entirely.

The comments of the Assistant Secretary of Agriculture include observations on several aspects of the agricultural economic phases of the project, many of which are of a technical nature and which are discussed in the attached letter in reply to the Assistant Secretary of Agriculture. The Department of Agriculture also suggested that it cooperate in future evaluation of the agricultural benefits for the individual units.

The Chief of Engineers, Department of the Army, found that the proposed modification of the improvements authorized by the Flood Control Act of 1944 is generally in consonance with the provisions contained in the report on the Missouri River Basin published as Senate Document 247, 78th Congress. He pointed out the effect that diversion of Missouri River water would have upon power and navigation operations on the river downstream and urged that return flows be returned to the Missouri River to the maximum extent practicable. The ultimate depletion of Missouri River flows by irrigation diversions of the magnitude required for the Garrison diversion unit has been contemplated since the inception of the Missouri River Basin project, and all economic and financial analyses have taken the effects of such depletions into account. It should be noted that the modified plan presented in the current report will result in substantially less net depletion of Missouri River flows than the plan outlined in the reports referred to in the original authorizing legislation.

The Assistant Surgeon General and Chief Engineer of the Public Health Service contributed a number of helpful suggestions and recommendations regarding municipal water supply, stream pollution abatement, and mosquito control in the unit area. We will work with representatives of that agency toward maximum practicable adoption of those suggestions.

The Chairman of the Federal Power Commission commented upon the potentialities for production of electrical energy by utilizing drops in the McClusky Canal. These potentials were recognized in our report, but were deferred for further consideration when the project advances beyond the initial stages. The canals and other features will be so designed as to make future power installations possible when and if future circumstances show such installations would be economically and financially feasible.

In compliance with a request of the Fish and Wildlife Service and in order to give an important phase of the proposal the de-

tailed consideration it warrants, the report, entitled "Fish and Wildlife and the Garrison Diversion Unit," is attached¹ to and made a part of this report to emphasize the problems and solutions for preservation and propagation of fish and wildlife which have been dealt with in preparation of this plan. Throughout the past and future planning for this development, every effort has been and will be made, through cooperative planning between the Bureaus to develop measures to compensate, insofar as feasible, for losses to waterfowl habitat which might result from the project. Although no diversions of Missouri River water specifically for this use are contemplated, we believe the plan outlined in our report will result in adequate water supplies to all fish and wildlife features described therein.

None of the foregoing indicates the necessity or desirability of revisions or changes in the basic report or the proposed plan of development of the Garrison diversion unit. We believe, therefore, that the report is satisfactory in its present form.

Accordingly, I recommend that you approve and adopt this report as your report on the Garrison diversion unit, North Dakota and South Dakota, Missouri River Basin project, and that you transmit it, together with the basic documents and attached letters to the President and subsequently to the Congress for appropriate legislative consideration and action.

Respectfully,

FLOYD E. DOMINY,
Assistant Commissioner.

Approved and adopted, June 21, 1958.

FRED A. SEATON,
Secretary of the Interior.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., October 1, 1959.

The PRESIDENT,
The White House, Washington, D.C.
(Through the Bureau of the Budget).

DEAR MR. PRESIDENT: My report on the Garrison diversion unit, North and South Dakota, Missouri River Basin project, is transmitted herewith for your consideration pursuant to the provisions of section 9(a) of the Reclamation Project Act of 1939.

The Garrison diversion unit is a modification of the plan for irrigating lands in North and South Dakota which was authorized by virtue of its inclusion in this Department's report on the Missouri River Basin project (S. Doc. 191, 78th Cong.) as the Missouri-Souris unit. More detailed investigations subsequent to authorization of the project by the Flood Control Act of December

¹ Excluded from this publication.

22, 1944, have revealed opportunities for more effective and efficient service by modifying the plan of development as outlined herein.

The Garrison diversion unit as proposed in the report of the Commissioner of Reclamation would be the largest single multiple-purpose proposal of the Missouri River Basin project. It provides for water to be diverted from the Missouri River at Garrison Reservoir and conveyed through a complex system of canals, reservoirs, and pumping plants to provide irrigation water to over 1 million acres of land in North and South Dakota. Garrison Dam and Reservoir have been designed and built with provision for this use. A more dependable water supply will be furnished to numerous municipalities and industrial areas and to 62 fish and wildlife development areas, some of which are of national significance. The historic levels of Devils and Stump Lakes will be restored and the quality of their waters improved, thereby reclaiming those areas as outstanding recreational attractions. Lesser benefits of local importance will be derived from flood control, drainage of nonirrigable lands, and stream pollution abatement. Over 92 percent of the investment cost for the million-acre project is considered reimbursable from water users' payments, conservancy district revenues, other sales of water, and from surplus power revenues of the Missouri River Basin project. Recent analyses of the Missouri River Basin project indicate that adequate power revenues will be available to meet the requirements of the Garrison diversion unit.

Upon passage of enabling legislation by the North Dakota State Legislature, the Garrison Diversion Conservancy District was organized, embracing all of the affected counties of North Dakota. This organization has given enthusiastic support and cooperation during the investigations; has sponsored the formation of five irrigation districts (approximately 200,000 acres); is working toward organization of additional irrigation districts; has agreed to the repayment principles outlined in the report; and is now negotiating repayment contracts.

* * *

Concern has been expressed regarding the effect of the depletion of Missouri River flows by operation of the Garrison diversion unit upon future water uses in the lower basin States. Such concern is not justified. Since the unit report was prepared, a subcommittee of the Missouri Basin Interagency Committee reviewed its earlier report on adequacy of flows in the Missouri River. That report extended the water supply data to 1958 and reflected the most recent long-range forecasts of upstream depletion. It reaffirmed the conclusions of the earlier report to the effect that all foreseeable consumptive uses of water in the lower basin, even during a repetition of the extreme drought of 1930-41, could be satisfied through the storage regulation afforded by the main stem reservoirs, with only tolerable and normal critical year water

supply shortages for navigation and irrigation. The depletion caused by the 250,000-acre development herein proposed would amount to only 4.5 percent of the flow at Sioux City for the critical period of 1930-41.

The authorized Missouri River Basin project as described in Senate Document 191, provided benefits for every State involved. North Dakota was to receive extensive irrigation development, which would compensate for its loss of productive lands inundated by the main stem reservoirs. In the first 15 years of development, emphasis has been upon the construction of main stem reservoirs. The benefits from flood control and navigation have accrued primarily to the lower basin States. Irrigation has not kept pace with the other project purposes.

Therefore, the irrigation phases of the Missouri River Basin project should proceed as planned in the interests of maximum utilization of the water and land resources of the basin, and in equity to the upper basin States which have given up much valuable land to the main stem reservoirs.

I recommend construction of the necessary works to irrigate an area of 250,000 acres with such modifications as are necessary for practical and economic future expansion of the project service area, and to serve other purposes. A 250,000-acre unit is the smallest independent plan that I consider to be consistent with sound development. Since irrigation on a large scale has not been developed previously in this area, operation of the 250,000-acre project will provide a firm guide to consideration of future expansion.

We propose also, in order to avoid certain legal and economic problems which were not apparent at the time Senate Document 191 was prepared, that the Missouri River Basin project be modified in the following particulars to permit construction of the Garrison diversion unit as herein described.

The act of August 30, 1890, reserved canal rights-of-way on lands patented after that date to the United States, but it was not conceived that major canals requiring such extensive rights-of-way as are involved in Garrison diversion unit would be built. Authority to purchase such lands as are needed for the major canals, notwithstanding the act of August 30, 1890, is required. Authority to construct recreation features as provided in the report would be necessary.

Accomplishment of the developments planned to mitigate losses and to develop and improve fish and wildlife resources falls within the authority contained in the Fish and Wildlife Coordination Act of August 12, 1958.

My proposed report was transmitted to the States of the Missouri River Basin and to the Secretary of the Army for their views and recommendations in accordance with the Flood Control Act of 1944. It was sent to the States of North Dakota and South Dakota for specific consideration of the fish and wildlife aspects in accordance with the act of August 14, 1946, and to the interested Federal Departments and agencies in accordance with an in-

teragency agreement. Comments have been received from most of the States and agencies to which the report was sent, and copies thereof are enclosed along with reports of the Bureau of Reclamation and the Fish and Wildlife Service.¹

I shall appreciate having advice concerning the relationship of the Garrison diversion unit to your program. If you concur, the report will be forwarded to the Congress for its consideration and possible legislative action during the ensuing session of the 86th Congress.

Sincerely yours,

FRED A. SEATON,
Secretary of the Interior.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., January 9, 1960.

The Honorable the SECRETARY OF THE INTERIOR.

MY DEAR MR. SECRETARY: This will acknowledge receipt of your report on the Garrison diversion unit, North and South Dakota, Missouri River Basin project, transmitted by letter dated October 1, 1959. You request advice as to the relationship of the report to the program of the President.

The development recommended in your report would be the largest single unit of the Missouri River Basin project. It would provide a water supply for irrigation of 250,000 acres of land, more dependable water supplies to numerous municipalities, industries, and wildlife areas, and incidental benefits from flood control, drainage of non-irrigable lands, and recreation.

On the basis of January 1959 price levels, the construction cost is estimated at \$169 million, including over \$9 million already expended on investigations of the Garrison diversion unit and on construction of Jamestown Dam, and the investment and assigned costs are estimated to total about \$200 million. Using a 100-year period of analysis and total anticipated average annual benefits (direct and secondary), the benefit-cost ratio is stated to be 1.99. It is understood that the cost estimate for the 250,000-acre project recommended in your report does not include amounts to provide added capacity at some future date to serve the larger area recommended by the Commissioner of Reclamation. It is also understood that the several references in your report to possible future expansion are not to be construed as an endorsement by you at this time of an authorization for irrigation of over 250,000 acres.

The reimbursable costs allocated to irrigation are estimated at \$153,740,000 (about \$615 per irrigable acre), of which only \$36,250,000, or about 24 percent, is expected to be repaid by the irrigators and the conservancy district. Your report proposes that

¹ Excluded from this publication.

net revenues from the Missouri River Basin power system be used to repay, without interest, the remaining 76 percent of the irrigation allocation, presently estimated at \$117,490,000. It is understood that the costs allocated to irrigation would be repaid without interest within 50 years, excluding a development period, either by the water users and the conservancy district or from surplus Missouri River Basin power revenues.

It is noted that the stated benefit-cost ratio of 1.99 is derived through the use of a 100-year period of analysis. The Bureau of the Budget considers that proposed water resources developments should be evaluated within their expected economic life, but not beyond a period of 50 years from the time project benefits will become available. While it is recognized that the physical and operational life of many projects undoubtedly will exceed 50 years, an assumption of economic life beyond this period of time is highly speculative, particularly if the rate of recent technological advance is projected into the future. Your report indicates that evaluation of the proposed development within a period of 50 years would reduce the benefit-cost ratio to 1.66.

It is also noted that secondary economic benefits have been used in calculating the benefit-cost ratio of the proposed Garrison diversion unit. On the basis of information received from the Department, it would appear that secondary benefits are estimated to be over 60 percent of total irrigation benefits and that using only primary benefits the benefit-cost ratio of the project would be only 0.76. Only if secondary benefits were credited in an amount equal to approximately 45 percent of primary irrigation benefits would the benefit-cost ratio be increased to unity. The Bureau of the Budget recognizes, of course, that net secondary benefits probably do result from Federal reclamation investments and that a judgment about such benefits may be appropriate in project evaluation. However, in view of the conjectural nature of secondary benefits, we seriously question whether secondary benefits should ever be estimated at such a large proportion of total benefits. No other Federal water resource development program employs secondary benefits to this extent in a project evaluation.

It is understood that the benefits expected from enhancement of fish and wildlife are equated with the cost of a hypothetical least expensive single-purpose alternative method of producing equivalent benefits. On this basis, costs allocated to fish and wildlife enhancement are estimated at about \$23 million although the incremental costs involved are estimated at only about \$4 million. In the absence of a generally accepted method for calculating fish and wildlife values with reasonable accuracy, the Bureau of the Budget believes that the decision to add features or capacity to any water resources development solely for fish and wildlife enhancement purposes should be based primarily on a well-informed and carefully considered judgment as to whether such additional investment is justified. Thus, the maximum monetary benefits from a multiple-purpose development which could properly be assigned to enhancement of fish and wildlife values would be equal

to the cost of providing those benefits. Adjustment of fish and wildlife enhancement benefits using this procedure would further reduce the benefit-cost ratio and, at the same time, result in commensurate increases in the reimbursable costs allocated to the other purposes of the development, including irrigation.

Furthermore, it is not clear from your report why at least a part of the costs allocated to enhancement of fish and wildlife should not be reimbursable as contemplated by the Fish and Wildlife Coordination Act.

From the foregoing discussion, it appears reasonable to conclude that the economic justification for undertaking the Garrison diversion unit at this time is at best marginal even if a sizable monetary value is arbitrarily assigned to possible secondary benefits which might result if the development is successful in improving and stabilizing the agricultural economy of North Dakota.

In view of the fact that the original authorization of the Garrison Reservoir contemplated utilization of a portion of the storage for irrigation purposes, the Bureau of the Budget has over the past year worked closely with the Department of the Interior in its efforts to develop a plan for a sound irrigation project. Your letter of October 1 indicated that a unit for 250,000 acres is the most economic plan which can be developed consistent with this objective. However, the fact that such a unit reflects a revision in earlier plans which contemplated a larger acreage has meant that both the cost estimates and the specific areas to be irrigated admittedly require much further study.

For the reasons set forth in this letter the Bureau of the Budget cannot recommend favorable action on this project. However, there would be no objection to the submission of your report of October 1 to the Congress. Should the Congress nevertheless decide to consider authorization of the project, it is believed such authorization should be contingent upon the submission of a further and more detailed report to the President and the Congress. It is expected, among other things, that such a report would include a finding as to what part of the cost allocated to fish and wildlife enhancement should be reimbursable under the terms of the Fish and Wildlife Coordination Act.

It would be appreciated if a copy of this letter accompanied your report to the Congress.

Sincerely yours,

ELMER B. STAATS,
Acting Director.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., February 3, 1960.

Hon. SAM RAYBURN,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: My report on the Garrison diversion unit, North Dakota and South Dakota, Missouri River Basin project, is transmitted herewith for consideration by the Congress.

The Garrison diversion unit as proposed in the report is a modification of the Missouri-Souris unit which was authorized by the Flood Control Act of 1944 for construction as an initial unit of the Missouri River Basin project. Certain aspects of this unit make it desirable that legislation be enacted to modify the Missouri River Basin project authorization to permit equitable treatment of the landowners who would be adversely affected by project structures and to clarify the Federal interest in the proposed recreational features of the unit.

My report is accompanied by reports of the Bureau of Reclamation and the Fish and Wildlife Service and by official letters of comment from the affected States of the Missouri River Basin, the interested Federal agencies, and the Bureau of the Budget.

The Bureau of the Budget has advised that while it "cannot recommend favorable action on this project," there would be no objection to the submission of this report. As requested by the Bureau of the Budget, a copy of its letter of January 9, 1960, is included with the report.

Sincerely yours,

FRED A. SEATON,
Secretary of the Interior.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C. March 19, 1965.

Hon. WAYNE N. ASPINALL,
Chairman, Committee on Interior and Insular Affairs,
House of Representatives, Washington, D.C.

DEAR MR. ASPINALL: This responds to your request for the views of this Department on H.R. 237 and H.R. 1718, identical bills to make certain provisions in connection with the construction of the Garrison diversion unit, Missouri River Basin project, by the Secretary of the Interior.

The Department recommends enactment of either of these bills if amended as suggested hereafter.

These bills would modify the Missouri River Basin project authorizations to accommodate the special conditions of the Garrison diversion unit. The bills are consistent with the findings and

recommendations for a plan of irrigation development set forth in the Department's report on this unit which was transmitted to the Congress on February 3, 1960, and printed as H. Doc. 325, 86th Congress. Enclosed, as a part of this report, is the Department's Supplemental Report on the Garrison Diversion Unit (Initial Stage—250,000 Acres) November 1962 (revised February 1965)."¹ Incorporated in that report as an appendix is a report of the Bureau of Sport Fisheries and Wildlife, "Fish and Wildlife Resources in Relation to the Garrison Diversion Unit, (Initial Stage—250,000 Acres), November 1962."

The February 1965 revision of the November 1962 supplemental report on the unit supersedes the supplemental report dated January 1961, and the May 1964 revision of the November 1962 supplemental report which were submitted to the Congress with this Department's reports on Garrison diversion unit bills in the 87th and 88th Congresses.

The enclosed revised supplemental report presents the costs, benefits, and economic and financial analyses of the unit on a basis incorporating the concepts of the draft bill to provide uniform policies with respect to recreation and fish and wildlife benefits and costs of Federal multiple-purpose water resource projects, which the administration on February 19, 1965, proposed be substituted for H.R. 52. Incorporation of the concepts of the administration's legislative proposal of February 19 required some changes in the treatment of the costs of the unit allocated to recreation and fish and wildlife. These changes are explained in full in the final section of the enclosed supplemental report. Otherwise, the plan of development for the unit and the formulation of the unit for economic and financial analysis and cost allocation are exactly as presented to your committee in the 88th Congress.

* * *

Allocations of project costs are as presented previously to your committee:

<i>Purpose:</i>	<i>Allocation</i>
Irrigation	\$198,578,000
Municipal and industrial water	12,099,000
Flood control	2,813,000
Commercial power	37,000
Fish and wildlife enhancement	21,657,000
Recreation	13,050,000
Total	248,234,000

* * *

"Policies and Procedures in the Formulation, Evaluation, and Review of Plans for the Use and Development of Water and Related Land Resources," a policy statement approved by the President on May 15, 1962, and printed as Senate Document 97, 87th Congress, provides, among other things, for computation of the

¹ Excluded from this publication.

interest rate to be used in economic analyses in accordance with a prescribed formula. This precept was incorporated into the economic analyses which appear in the enclosed supplemental report. The benefit-cost ratio of 2.51 to 1 in the enclosed supplemental report was developed on the basis of the then applicable benefit discount rate of $27\frac{7}{8}$ percent. The benefit discount rate derived from application of the prescribed formula for use in fiscal year 1965 is $31\frac{1}{8}$ percent. Revision of the enclosed report to employ this benefit discount rate for economic analysis would result in a minor reduction in the benefit-cost ratio. This would not alter the basic finding of the study that the Garrison diversion unit is economically justified.

* * *

Sincerely yours,

STEWART L. UDALL,
Secretary of the Interior.

GARRISON DIVERSION UNIT AUTHORIZING ACT

An act to make certain provisions in connection with the construction of the Garrison diversion unit, Missouri River Basin project, by the Secretary of the Interior. (Act of August 5, 1965, 79 Stat. 433, Public Law 89-108.)

SEC. 1. [**Construction provisions.**] That the general plan for the Missouri-Souris unit of the Missouri River Basin project, heretofore authorized in section 9 of the Flood Control Act of December 22, 1944 (58 Stat. 887), as modified by the report of the Secretary of the Interior contained in House Document Numbered 325, Eighty-sixth Congress, second session, is confirmed and approved under the designation "Garrison diversion unit," and the construction of a development providing for the irrigation of two hundred and fifty thousand acres, municipal and industrial water, fish and wildlife conservation and development, recreation, flood control, and other project purposes shall be prosecuted by the Department of the Interior substantially in accordance with the plans set out in the Bureau of Reclamation report dated November 1962 (revised February 1965) supplemental report to said House Document Numbered 325.

SEC. 2. (a) [**Recreation, fish and wildlife facilities.**] Subject to the provisions of subsections (b), (c), (d), and (e) of this section, the Secretary is authorized in connection with the Garrison diversion unit (i) to construct, operate, and maintain or provide for the construction, operation, and maintenance of public outdoor recreation and fish and wildlife enhancement facilities, (ii) to acquire or otherwise to include within the unit area such adjacent lands or interests in land as are necessary for present or future public recreation or fish and wildlife use, (iii) to allocate

water and reservoir capacity to recreation and fish and wildlife enhancement, and (iv) to provide for the public use and enjoyment of unit lands, facilities, and water areas in a manner coordinated with other unit purposes. The Secretary is further authorized to enter into agreements with Federal agencies or State or local public bodies for the operation, maintenance, and replacement of unit facilities, and to transfer unit lands or facilities to Federal agencies or State or local public bodies by lease or exchange, upon such terms and conditions as will best promote the development and operation of such lands or facilities in the public interest for recreation and fish and wildlife enhancement purposes.

(b) All costs allocated to fish and wildlife enhancement and incurred in connection with waterfowl refuges and waterfowl production areas proposed for Federal administration shall be non-reimbursable.

(c) (1) **[Non-Federal public bodies. Project administration costs.]** If, before commencement of construction of the unit, non-Federal public bodies agree to administer for recreation or fish and wildlife enhancement or for both of these purposes pursuant to the plan for the development of the unit approved by the Secretary land and water areas which are not included within Federal waterfowl refuges and waterfowl production areas and to bear not less than one-half the separable costs of the unit allocated to either or both of said purposes, as the case may be, and attributable to such areas and all the costs of operation, maintenance, and replacement incurred in connection therewith, the remainder of the separable capital costs so allocated and attributed shall be nonreimbursable.

(2) **[Allocation of unit costs.]** In the absence of such a preconstruction agreement recreation and fish and wildlife enhancement facilities (other than minimum facilities for the public health and safety at reservoir access points and facilities related to Federal waterfowl refuges and waterfowl production areas) shall not be provided, and the allocation of unit costs shall reflect only the number of visitor days and the value per visitor day estimated to result from such diminished recreation development without reference to lands which may be provided pursuant to subsection (e) of this section.

(d) **[Non-Federal share of costs.]** The non-Federal share of the separable capital costs of the unit allocated to recreation and fish and wildlife enhancement shall be borne by non-Federal interests, under either or both of the following methods as may be determined appropriate by the Secretary: (i) payment, or provision of lands, interests therein, or facilities for the unit; or (ii) repayment, with interest, within fifty years of first use of unit recreation or fish and wildlife enhancement facilities: *Provided*, That the source of repayment may be limited to entrance and user fees or charges collected at the unit by non-Federal interests if the fee schedule and the portion of fees dedicated to repayment are established on a basis calculated to achieve repayment as aforesaid and

are made subject to the review and renegotiation at intervals of not more than five years.

(e) [**Provisions for acquisition of lands.**] Notwithstanding the absence of preconstruction agreements as specified in subsection (c) of this section lands may be acquired in connection with construction of the unit to preserve the recreation and fish and wildlife enhancement potential of the unit.

(1) If non-Federal public bodies agree within ten years after initial unit operation to administer for recreation and fish and wildlife enhancement pursuant to the plan for development of the unit approved by the Secretary land and water areas which are not included within Federal waterfowl refuges and waterfowl production areas and to bear not less than one-half the costs of lands acquired therefor pursuant to this subsection and facilities and project modifications provided for those purposes and all costs of operation, maintenance, and replacement incurred therefor, the remainder of the costs of such lands, facilities, and project modifications shall be nonreimbursable. Such agreement and subsequent development shall not be the basis for any allocation of joint costs of the unit to recreation or fish and wildlife enhancement.

(2) If, within ten years after initial operation of the unit, there is not an executed agreement as specified in paragraph (1) of this subsection, the Secretary may utilize the lands for any lawful purpose within the jurisdiction of the Department of the Interior, or may transfer custody of the land to another Federal agency for use for any lawful purpose within the jurisdiction of that agency, or may lease the lands to a non-Federal public body, or may transfer the lands to the Administrator of General Services for disposition in accordance with the surplus property laws of the United States. In no case shall the lands be used or made available for use for any purpose in conflict with the purposes for which the project was constructed, and in every case preference shall be given to uses which will preserve and promote the recreation and fish and wildlife enhancement potential of the project or, in the absence thereof, will not detract from that potential.

(f) [**Joint capital costs.**] Subject to the limitations hereinbefore stated, joint capital costs allocated to recreation and fish and wildlife enhancement shall be nonreimbursable.

(g) [**Unit costs.**] Costs of means and measures to prevent loss of and damage to fish and wildlife shall be treated as unit costs and allocated among all unit purposes.

(h) [**"Nonreimbursable."**] As used in this Act, the term "non-reimbursable" shall not be construed to prohibit the imposition of entrance, admission, and other recreation user fees or charges.

SEC. 3. [Integration with other Federal works.] The Garrison diversion unit shall be integrated physically and financially with the other Federal works constructed or authorized to be constructed under the comprehensive plan approved by section 9 of the Act of December 22, 1944, as amended and supplemented. The Secretary shall give consideration to returning to the Missouri

River to the fullest extent practicable such of the return flows as are not required for beneficial purposes.

SEC. 4. (a) **[Interest rates.]** The interest rate used for computing interest during construction and interest on the unpaid balance of the capital costs allocated to interest-bearing features of the Garrison diversion unit as authorized in this Act shall be determined by the Secretary of the Treasury as of the beginning of the fiscal year in which construction is initiated, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations, which are neither due nor callable for redemption for fifteen years from date of issue.

(b) From and after July 1, 1965, the interest rate on the unamortized balance of the investment allocated to commercial power in facilities constructed or under construction on June 30, 1965, by the Department of the Army in the Missouri River Basin, the commercial power from which is marketed by the Department of the Interior, and in the transmission and marketing facilities associated therewith, shall be $2\frac{1}{2}$ per centum per annum.

SEC. 5. **[Water delivery, restriction.]** For a period of ten years from the date of enactment of this Act, no water from the project authorized by this Act shall be delivered to any water user for the production on newly irrigated lands of any basic agricultural commodity, as defined in the Agricultural Act of 1949, or any amendment thereof, if the total supply of such commodity for the marketing year in which the bulk of the crop would normally be marketed is in excess of the normal supply as defined in section 301(b)(10) of the Agricultural Adjustment Act of 1938, as amended, unless the Secretary of Agriculture calls for an increase in production of such commodity in the interest of national security.

SEC. 6. **[Appropriation authorized.]** There is hereby authorized to be appropriated for construction of the Garrison diversion unit as authorized in this Act, the sum of \$207,000,000, plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indexes applicable to the types of construction involved herein. There are also authorized to be appropriated such additional sums as may be required for operation and maintenance of the unit.

NEBRASKA MID-STATE DIVISION

NEBRASKA

COLUMBUS, NEBRASKA

April 25, 1958

BOARD OF DIRECTORS

*Nebraska Mid-State Reclamation District**Grand Island, Nebraska*

Gentlemen:

Re: Mid-State Project Report

Herewith we submit a Report¹ in which are set forth the results of our investigations, analyses and studies concerning the proposal of the Nebraska Mid-State Reclamation District to construct a multipurpose Project along the Platte River in Central Nebraska, involving irrigation, flood control, power, fish, wildlife and recreation features. The estimated total financial requirements are \$74,038,500 of which \$45,815,800 is being sought as a reclamation loan from the Federal Government repayable over a 60-year period without interest and the balance of \$28,222,700 being sought as a Federal grant to cover the flood control, fish, wildlife and recreation features which we have considered as non-reimbursable.

In the preparation of this Report, we have relied extensively on the following reports and documents which have been made available to us:

1. Report on the Mid-State Project for Irrigation, Water Power Development, Ground Water Replenishment, Soil Conservation and Flood Control, Recreation Facilities; by Mr. Adolph F. Meyer, Consulting Hydraulic Engineer; dated 1952 (revised 1954).

2. Engineering Review of Mid-State Project, Nebraska; by Commissioner's Office, United States Bureau of Reclamation, Denver, Colorado; December 23, 1955.

3. Engineering Review of Nebraska—Mid-State Reclamation District Multipurpose Project for The Bureau of Reclamation, United States Department of the Interior; by Black and Veatch, Consulting Engineers; dated March 12, 1956.

4. Supplement to Engineering Review of December 23, 1955 of the Bureau of Reclamation Re: Mid-State Project of the Mid-State Reclamation District; dated May 1957 and prepared by Commissioner's Office, Denver, Colorado.

5. Supplemental Engineering Review of Nebraska—Mid-State Reclamation District Multipurpose Project for The Bureau of Reclamation, United States Department of the Interior.

¹ Excluded from this publication.

rior; by Black & Veatch, Consulting Engineers; dated August 12, 1957.

6. Nebraska Mid-State Project Reservoir Operation and Power Study based on Water Cycle 1931 to 1950; by Mr. Adolph F. Meyer, Consulting Engineer, and Mr. Douglas W. Barr, Associate; dated May, 1956, supplemented by additional Operation Studies by Mid-State Engineers, dated July, 1957.

7. Economic Feasibility Report, Mid-State Multipurpose Project—Power, Irrigation and Flood Control; by R. W. Beck and Associates; dated May 1, 1954; supplemented February 1, 1955.

8. Fish and Wildlife Resources in Relation to Water Development Plan for the Mid-State Project; by U.S. Fish and Wildlife Service, Washington, D.C.; dated May, 1957.

9. Flood Damage Studies, Lower Platte River Basin; Corps of Engineers, Omaha District, November, 1953; supplemented October, 1954 and April, 1958.

10. Letter Report from National Park Service, U.S. Department of the Interior, dated January 24, 1958.

11. Mid-State Project Bills—House Bill HR-10825 introduced by Congressman A. L. Miller of Nebraska and Senate Bill SR-3297 introduced jointly by Senator Carl T. Curtis and Senator Roman L. Hruska, both of Nebraska.

In addition, we have had the benefit of valuable technical counsel and advice from the Regional Director of the United States Bureau of Reclamation, Denver, Colorado, and his staff, including the Area Office in Grand Island, Nebraska, and from the staff of the Omaha District of the U.S. Corps of Engineers. In Nebraska, Governor Victor E. Anderson; Mr. Dan S. Jones, Chief, Department of Water Resources; Dr. E. C. Reed, Director, Conservation and Survey Division of University of Nebraska; and Mr. Mel Steen, Director of Game, Forestation and Parks Commission have been extremely helpful in making important data available to us.

We have submitted the Sections of the Report concerning basic water supply and hydraulic features to Mr. Adolph F. Meyer, Consulting Engineer, for his independent review. Mr. Meyer's comments, in letter form, have been included herewith as an Exhibit¹ following this letter. Similarly, we have submitted the Sections of the Report concerning Project Operations, Project Lands, Drainage and Agricultural Economy to Mr. Doyle E. Graham, Chief Engineer of the Nebraska Mid-State Reclamation District, for review and comments. Mr. Graham's letter also follows as an Exhibit.

While our conclusions are fully set forth at the end of Section I of the Report, it seems appropriate to restate here our opinion that the Mid-State Project, as outlined in the Report, is sound from an engineering standpoint, is economically feasible, is timely from the standpoint of conserving the valuable surface water supplies of the area and in the replenishment of the rapidly

¹ Excluded from this publication.

decreasing ground-water supply, will accomplish the multipurpose objectives of the District and will contribute materially to the economic upbuilding of the Project area, the State of Nebraska and the country as a whole.

Respectfully submitted,

R. W. BECK AND ASSOCIATES.

Approved.

R. W. BECK

Chief Engineer

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., May 10, 1967.

Hon. WAYNE N. ASPINALL,
*Chairman, Committee on Interior and Insular Affairs,
House of Representatives,
Washington, D.C.*

DEAR MR. ASPINALL: This responds to your request for the views of the Department on H.R. 427 and H.R. 845, identical bills "To authorize the Secretary of the Interior to construct, operate, and maintain the Nebraska midstate division, Missouri River Basin project, and for other purposes."

We recommend the enactment of either bill with the amendments suggested herein.

H.R. 427 and H.R. 845 modify the Missouri River Basin project authorization to include the proposed Nebraska Mid-State division in order that its construction, operation, and maintenance may be undertaken by the Department of the Interior and it may be integrated physically and financially with the other Federal works of the Missouri River Basin project. Legislation on this subject was introduced and reported in the 86th, 87th, and 88th Congresses. Those reports supported inclusion within the Missouri River Basin project of this multiple-purpose development to serve the irrigable lands of the Nebraska Mid-State Reclamation District. The reports (dated April 24, 1959; April 20, 1960; May 24, 1961; and February 29, 1964) commented favorably and in detail on the physical plan for the project which was prepared for the district by consulting engineers.

Departmental representatives and the district and its consulting engineers have consulted on the project plan over the years, and this Department is in general agreement with the plan of development as presented in the plan which is before the Congress. Should this legislation be enacted, we would expect to construct the project facilities substantially in accordance with the physical plan in the project report, with such modifications as detailed post-authorization studies, preliminary to a definite plan report, indicate to be desirable.

Since the Department's last report on a measure to authorize

the Nebraska Mid-State division, the project analyses have been reappraised and the results of this work are summarized in a report entitled "Reevaluation Statement, Mid-State Division, Nebraska," dated April 1967. This study utilized the current discount rate for economic justification and cost allocation of 3 1/8 percent, eliminated allocations of project costs to area redevelopment, and presented an analysis of the reimbursability of project costs allocated to recreation and fish and wildlife enhancement in accordance with the precepts of the Federal Water Project Recreation Act (Public Law 89-72). The engineering plan and operation, maintenance, and replacement costs are the same as those most recently presented to your Committee in our legislative report dated February 29, 1964. Within the limits of available data, our current studies are to the same standards as are normally employed in project feasibility reports prepared by the Bureau of Reclamation.

Project construction costs were adjusted to January 1967 price levels resulting in a revised estimate of \$106,135,000. The following table shows the allocation of this cost as derived in the April 1967 reevaluation compared with our 1964 presentation to your Committee:

Purpose	1964 allocation	April 1967 allocation
Irrigation	\$55,431,000	\$76,831,000
Flood control	12,466,000	12,831,000
Fish and wildlife enhancement	8,738,000	
Area redevelopment	3,188,000	
Recreation	3,161,000	3,780,000
Deferred commerial power	1,218,000	1,542,000
Total	84,202,000	106,135,000

Costs allocated to flood control would be nonreimbursable.

Costs allocated to recreation and fish and wildlife enhancement would be subject to cost-sharing in accordance with the Federal Water Project Recreation Act. The following table presents a summary of recreation and fish and wildlife enhancement cost-sharing as proposed in the aforementioned reevaluation statement:

	Construction costs	Annual operation and maintenance
Recreation:		
Reimbursable	\$ 115,000	\$30,000
Nonreimbursable	3,665,000	2,200
Total, allocation	3,780,000	32,200
Fish and wildlife enhancement:		
Reimbursable	407,000	4,000
Nonreimbursable	10,744,000	8,500
Total, allocation	11,151,000	12,500

In addition to the above reimbursable costs, interest during construction in the amounts of \$7,000 and \$21,000 for recreation and fish and wildlife enhancement, respectively, will be borne by

non-Federal public entities, which will also operate and maintain and replace recreation and fish and wildlife enhancement land and water areas and facilities appropriate for non-Federal management pursuant to an agreement to be executed prior to initiation of construction. The Nebraska Game, Forestation and Parks Commission has now indicated its intent to administer and share in the separable costs of the division in accordance with the provisions of the Federal Water Project Recreation Act.

Revenues received from irrigation water users would repay \$44,350,000—or 58 percent—of the irrigation allocation over a period of 50 years following a development period. The balance of the irrigation allocation, \$32,481,000, would be returned from power revenues of the Missouri River Basin project, as would the interest-bearing investments in deferred commercial power (\$1,542,000).

The sufficiency of Missouri River Basin project power revenues to meet the reimbursement and final assistance obligations of the overall Missouri River Basin project was dealt with most recently in our "Report on Financial Position, Missouri River Basin Project, December, 1963", which was transmitted to the Congress on December 17, 1963. That report illustrated that with an increase of 0.25 mills per kilowatt-hour in the sale price of firm commercial power marketed in the eastern division of the project and adoption of proposed interest rate criteria adequate revenues would be in prospect to retire all reimbursable investments and meet all requirements for financial assistance, including defrayal of irrigation costs of the Nebraska Mid-State division which are beyond the capacity of the irrigators to repay. The required rate increase has been promulgated by administrative action and the proposed interest rate criteria have been authorized by the Congress through enactment of section 4(b) of the Act of August 5, 1965 (79 Stat. 433).

To make applicable the precepts and provisions of the Federal Water Project Recreation Act (Public Law 89-72) regarding the reimbursability of the Nebraska Mid-State division costs allocated to recreation and fish and wildlife enhancement, a new section 5, reading as follows, should be added to the bill:

"Sec. 5. The provision of land, facilities, and project modifications which furnish outdoor recreation and fish and wildlife enhancement benefits in connection with the Nebraska Mid-State division shall be in accordance with the provisions of the Federal Water Project Recreation Act (79 Stat. 213)."

The Act of August 14, 1964 (78 Stat. 446), authorizing appropriations for the prosecution of the general comprehensive plan for the Missouri River Basin project as authorized by the Flood Control Act of 1944 (58 Stat. 491), as amended, provided, in part, that "no part of the funds hereby authorized to be appropriated shall be available to initiate construction of any unit of the Missouri River Basin project, whether included in said comprehensive plan or not, which is not hereafter authorized by Act of Congress". It is clear from the legislative history of the aforesaid Act

of August 14, 1964, that Congress intended that future legislation authorizing units or divisions of the Missouri River Basin project provide specific appropriation authority for the unit or division being authorized as distinct from simply increasing the appropriation authority for the overall Missouri River Basin project. A further indication of this intent is found in section 6 of the Act of August 5, 1965 (79 Stat. 433), authorizing the Garrison diversion unit. To conform H.R. 427 and H.R. 845 to the precedent established by the Garrison diversion unit authorizing Act, section 2 of the bill should be amended by placing a period after the word "authorized" on line 17, page 2, and adding a new section 6, to read as follows:

"Sec. 6. There is authorized to be appropriated for construction of the Nebraska Mid-State division as authorized in this Act, the sum of \$106,135,000 (January 1967 price levels) plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indexes applicable to the types of construction involved herein. There are also authorized to be appropriated such additional sums as may be required for operation and maintenance of the division."

Also, to clearly identify recreation as a project purpose, the following amendments are suggested:

1. On line 3, page 2, add the words "enhancing recreation opportunities," after the word "wildlife".
2. On line 8, page 2, add a period after the word "works" and delete the balance of the sentence.

Enactment of the bill would authorize expenditures estimated at \$2,576,000 for lands for the enhancement of migratory waterfowl production and resting habitat. This amount would be charged against the expenditure limitation of \$28,000,000 for such expenditures established by subsection 6(c) of the Federal Water Project Recreation Act (79 Stat. 213).

Finally, to conform the terminology of the bill to that used in the planning documents for the division, the word "Mid-State" should be substituted for "midstate" in the title of the bill and on page 1, line 7; page 2, line 10; and page 3, line 2. On page 2, line 15, the word "division" should be substituted for the word "unit".

The Bureau of the Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely yours,

KENNETH HOLUM,
Assistant Secretary of the Interior.

UNITED STATES DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C. 20240, November 3, 1967.

Hon. CHARLES L. SCHULTZE
Director, Bureau of the Budget
Washington, D.C.

DEAR MR. SCHULTZE: Enrolled bill H.R. 845, "To authorize the Secretary of the Interior to construct, operate, and maintain the Nebraska Mid-State division, Missouri River Basin project, and for other purposes", is pending before the President.

We recommend that the bill be approved.

The bill modifies the Missouri River Basin project authorization to include the proposed Nebraska Mid-State division in order that its construction, operation, and maintenance may be undertaken by the Department of the Interior and it may be integrated physically and financially with the other Federal works of the Missouri River Basin project. Legislation on this subject was introduced and reported in the 86th, 87th, 88th, and 89th Congresses. These reports supported inclusion within the Missouri River Basin project of this multiple-purpose development to serve the irrigable lands of the Nebraska Mid-State Reclamation District. The reports commented favorably and in detail on the physical plan for the project which was prepared for the district by consulting engineers.

Departmental representatives and the district and its consulting engineers have consulted on the project plan over the years, and are in general agreement on the plan of development.

Project construction costs are adjusted to January 1967 price levels estimated at \$106,135,000. The following table shows the allocation of this cost:

<i>Purpose</i>	<i>April 1967 Allocation</i>
Irrigation	\$ 76,831,000
Flood Control	12,831,000
Fish and Wildlife Enhancement	11,151,000
Area Redevelopment	
Recreation	3,780,000
Deferred Commercial Power	1,542,000
Total	\$106,135,000

Costs allocated to flood control would be nonreimbursable.

Costs allocated to recreation and fish and wildlife enhancement will be subject to cost-sharing in accordance with the Federal Water Project Recreation Act. The following table presents a summary of recreation and fish and wildlife enhancement cost-sharing as proposed:

	<i>Construction Costs</i>	<i>Annual Operation and Maintenance</i>
Recreation:		
Reimbursable	\$ 115,000	\$30,000
Nonreimbursable	3,665,000	2,200
Total Allocation	3,780,000	32,200

	<i>Construction Costs</i>	<i>Annual Operation and Maintenance</i>
Fish and Wildlife Enhancement:		
Reimbursable	407,000	4,000
Nonreimbursable	10,744,000	8,500
Total Allocation	\$11,151,000	\$12,500

In addition to the above reimbursable costs, interest during construction in the amounts of \$7,000 and \$21,000 for recreation and fish and wildlife enhancement, respectively, will be borne by non-Federal public entities, which will also operate and maintain and replace recreation and fish and wildlife enhancement land and water areas and facilities appropriate for non-Federal management pursuant to an agreement to be executed prior to initiation of construction. The Nebraska Game, Forestation and Parks Commission has now indicated its intent to administer and share in the separable costs of the division in accordance with the provisions of the Federal Water Project Recreation Act.

Revenues received from irrigation water users would repay \$44,350,000—or 58 percent—of the irrigation allocation over a period of 50 years following a development period. The balance of the irrigation allocation, \$32,481,000, would be returned from power revenues of the Missouri River Basin project, as would the interest-bearing investments in deferred commercial power (\$1,542,000).

The sufficiency of Missouri River Basin project power revenues to meet the reimbursement and final assistance obligations of the overall Missouri River Basin project was dealt with most recently in our "Report on Financial Position, Missouri River Basin Project, December, 1963", which was transmitted to the Congress on December 17, 1963. That report illustrated that with an increase of 0.25 mills per kilowatt-hour in the sale price of firm commercial power marketed in the eastern division of the project and adoption of proposed interest rate criteria adequate revenues would be in prospect to retire all reimbursable investments and meet all requirements for financial assistance, including defrayal of irrigation costs of the Nebraska Mid-State division which are beyond the capacity of the irrigators to repay. The required rate increase has been promulgated by administrative action and the proposed interest rate criteria have been authorized by the Congress through enactment of section 4(b) of the Act of August 5, 1965 (79 Stat. 433).

Enactment of the bill would authorize expenditures estimated at \$2,576,000 for lands for the enhancement of migratory waterfowl production and resting habitat. This amount would be charged against the expenditure limitation of \$28,000,000 for such expenditures established by subsection 6(c) of the Federal Water Project Recreation Act (79 Stat. 213).

Section 7 of the bill, which was added by the House, prohibits the appropriation of construction funds until binding contracts have been signed by the owners of the full 140,000 acres of land to be irrigated. The purpose is to assure repayment of the irriga-

tion portion of project costs. The limitation does not apply to the appropriation of funds for planning. We have no objection to the section.

Sincerely yours,

KENNETH HOLUM
Assistant Secretary of the Interior.

NEBRASKA MID-STATE DIVISION AUTHORIZING ACT

An act to authorize the Secretary of the Interior to construct, operate, and maintain the Nebraska Mid-State division, Missouri River Basin project, and for other purposes. (Act of November 14, 1967, 81 Stat. 444, Public Law 90-136.)

SEC. 1. [Nebraska Mid-State division. Authorization.] That the Secretary of the Interior is hereby authorized to construct, operate, and maintain in accordance with the Federal reclamation laws (Act of June 17, 1902 (32 Stat. 388), and Acts amendatory thereof or supplementary thereto) the Nebraska Mid-State division, Missouri River Basin project, Nebraska, for the principal purposes of furnishing a surface irrigation water supply for approximately one hundred and forty thousand acres of land, aiding in the replenishment of the ground water supply of the area for domestic and agricultural use, controlling floods, conserving and developing fish and wildlife, enhancing recreation opportunities, and producing hydroelectric power. The principal works of the project shall consist of a diversion dam on the Platte River, a main supply canal, an interconnected reservoir system, hydroelectric power facilities, wasteways, pumps, drains, canals, laterals, distribution facilities, and related works.

SEC. 2. [Integration with other Federal works.] The Nebraska Mid-State division shall be integrated, physically and financially, with the other Federal works in the Missouri River Basin constructed or authorized to be constructed under the comprehensive plans approved by section 9 of the Act of December 22, 1944 (58 Stat. 891), as amended and supplemented, and shall be a division of the Missouri River Basin project therein approved and authorized.

SEC. 3. [Interest rate.] The interest rate used for computing interest during construction and interest on the unpaid balance of the capital costs allocated to interest-bearing features of the Nebraska Mid-State division shall be determined by the Secretary of the Treasury as of the beginning of the fiscal year in which construction is initiated, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations, which are neither due nor callable for redemption for fifteen years from date of issue.

SEC. 4. [Restriction.] For a period of ten years from the date of enactment of this Act, no water from the project authorized by this Act shall be delivered to any water user for the production on newly irrigated lands of any basic agricultural commodity, as

defined in the Agricultural Act of 1949, or any amendment thereof, if the total supply of such commodity for the marketing year in which the bulk of the crop would normally be marketed is in excess of the normal supply as defined in section 301(b)(10) of the Agricultural Adjustment Act of 1938, as amended, unless the Secretary of Agriculture calls for an increase in production of such commodity in the interest of national security.

SEC. 5. [Recreation and fish and wildlife.] The provision of land, facilities, and project modifications which furnish outdoor recreation and fish and wildlife enhancement benefits in connection with the Nebraska Mid-State division shall be in accordance with the provisions of the Federal Water Project Recreation Act (79 Stat. 213).

SEC. 6. [Appropriation authorized.] There is authorized to be appropriated for construction of the Nebraska Mid-State division as authorized in this Act, the sum of \$106,135,000 (January 1967 price levels) plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indexes applicable to the types of construction involved herein. There are also authorized to be appropriated such additional sums as may be required for operation and maintenance of the division.

SEC. 7. [Repayment contracts required before construction starts.] In order to assure repayment of the irrigation portion of this project, no funds shall be appropriated for construction nor shall any construction be started until firm and binding contracts have been signed by the owners of the full one hundred and forty thousand acres of land to be irrigated from waters furnished by the Mid-State reclamation project, said contracts to be certified by the Mid-State Board of Directors.

OAHE UNIT, JAMES DIVISION

SOUTH DAKOTA

U.S. DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D. C., September 29, 1965.

The SECRETARY OF THE INTERIOR.

SIR: This is my proposed report on the initial stage of the Oahe unit, James division, Missouri River Basin project, South Dakota. It is based upon and includes the attached June 1965 Supplemen-

tal Report ¹ prepared by the regional director, which sets forth the proposed plan of development, engineering feasibility, and economic justification for the irrigation development of 190,000 acres of land.

Also attached is a copy of the regional director's May 1965 Report on the Oahe unit ¹ which sets forth the overall plan for the ultimate irrigation development of a total of 495,000 acres within this unit in northeastern South Dakota. Appended thereto are the reports of the Bureau of Sport Fisheries and Wildlife, National Park Service, Corps of Engineers, and Public Health Service.

The Oahe unit was authorized by the Flood Control Acts of 1944 (58 Stat. 887) and 1946 (60 Stat. 641). The general comprehensive plan for the Missouri River Basin project was presented in Senate Document 191 and House Document 475 (78th Cong.) as revised and coordinated by Senate Document 247 (78th Cong.). The attached reports ¹ have been prepared under the general authority of the Federal reclamation laws (act of June 17, 1902, 32 Stat. 388) and acts amendatory thereof or supplementary thereto and pursuant to the provisions of Public Law 442, 88th Congress, which require reauthorization by the Congress of any units of the Missouri River Basin project on which construction was not under way as of August 14, 1964.

The initial stage of the Oahe unit would be a multipurpose development serving municipal and industrial water supply to 17 towns and cities in and near the unit, flood control, recreation, and fish and wildlife conservation functions in addition to irrigation. Benefits would accrue to area redevelopment from construction as well as from the operation and maintenance activities that would follow. There may also be an accrual of benefits from pollution abatement occasioned by increased streamflows in the James River, but these benefits have not been fully evaluated.

* * *

The initial stage of the Oahe unit represents a desirable, immediate water resource development that would strengthen the economy of the area, the State, and the Nation. It is engineeringly feasible and economically justified. The evaluated annual benefits exceed the estimated annual costs in a ratio of 2.5 to 1. It is compatible with the proposed plan for ultimate development of the unit. Its authorization would fulfill the longstanding obligation to the State of South Dakota which gave up several hundred thousand acres of its best agricultural land for the main-stem reservoirs of the Missouri River Basin project which were urgently needed to provide the flood and navigation controls on the Missouri and Mississippi Rivers as they course through downstream States. I therefore concur in and adopt the recommendation of the regional director as set forth on page 7 of the transmittal letter bound in his attached supplemental report of June 1965.¹

I recommend that you approve and adopt this report as your

¹ Excluded from this publication.

proposed feasibility report on the Oahe unit, Missouri River Basin project, South Dakota, and that you authorize me in your behalf to transmit copies to the States of the Missouri River Basin, to the Secretary of the Army, and to the interested Federal agencies for review as required by the Flood Control Act of 1944 (58 Stat. 887), the Fish and Wildlife Coordination Act (48 Stat. 401, as amended), and procedures approved by the President on May 15, 1962 (S. D. 97, 87th Cong.).

Respectfully,

N. B. BENNETT, Jr.,
Acting Commissioner.

Approved and adopted October 6, 1965:

STEWART L. UDALL,
Secretary of the Interior.

I concur:

KENNETH HOLUM,
Assistant Secretary, Water and Power Development.

U.S. DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., October 21, 1966.

The SECRETARY OF THE INTERIOR.

SIR: This is my report on the initial stage of the Oahe unit, Missouri River Basin project, South Dakota. It is based on and includes our proposed report of September 29, 1965, which you approved and adopted as your proposed report on October 6, 1965.

Copies of the proposed report were transmitted on October 7, 1965, to the affected States and to the Secretary of the Army for review as required by law. In accordance with the Fish and Wildlife Coordination Act, the report also was sent to the State of South Dakota for comments from the head of the agency exercising administration over the wildlife resources of that State. In addition, copies were sent to the interested Federal agencies in accordance with procedures approved by the President on May 15, 1962. Copies of the comments received are attached to and made part of this report.¹

The Governor of South Dakota endorses the proposed development and expresses continuing interest in and support of the unit. In line with his expressed views, the Governor recommends that congressional authorization encompass the entire Oahe unit or recognize in the initial stage authorization the intent to construct and develop the whole unit, subject perhaps to review of feasibility and related factors. He also recommends that the request for authorization include language to effect agreements among responsible Federal, State, and obligating local organizations with

¹ Excluded from this publication.

respect to the contents of the definite detail plan of development for pertinent facilities and purposes of the unit; that flexibility of the definite plan be maintained following authorization and during construction within the general plan outlined in the feasibility report; that the definite plan for each purpose of the unit be justified and fixed through congressional appropriation of construction funds; and that physical limitations, such as the number of irrigable acres to be served, should not be fixed in the authorizing legislation unless absolutely necessary.

As presented in our proposed report and endorsed by the local interests involved, the initial stage of the Oahe unit represents a desirable, immediate water resource development that would strengthen the economy of the area, the State, and the Nation. The recommended plan for initial development recognizes the time involved and the associated difficulties in the unusually large-scale development of the entire unit for irrigated agriculture. As the success, results, and benefits of irrigated agriculture in the initial stage become evident, it is expected that interest in and support for the additional stages of development will occur quite rapidly and in a manner that will fully warrant the further capital investments required to develop the entire Oahe unit.

In respect to the recommendations with regard to formulation and execution of the definite plan of development for the unit, such arrangements and procedures are, in effect, achieved in the normal course of our advanced planning and preconstruction activities on reclamation projects. Thus, the necessary consultation, coordination, and agreement with the interested agencies and organizations also will be accomplished for the definite plan report on the initial stage of the Oahe unit. It therefore is not believed necessary or desirable that the authorizing legislation specifically provide for accomplishment of these customary procedures. In respect to physical limitations, the general scope of the development being authorized for construction normally is set forth by the Congress in the authorizing legislation.

The States of Iowa, Kansas, and Missouri, have no objection to the Oahe unit if the authorizing document and legislation provide that the diversion of water for the unit does not constitute a prior appropriation, that it shall not prejudice any existing or future determination of rights, and that it shall recognize the need for and permit future consideration of the distribution of the water among the States.

The proposed development of the initial stage of the Oahe unit would not require water use greater than that considered by the Missouri River Basin Interagency Committee in its supplemental report of April 1959. That report found that there was adequate water in the Missouri River " * * * for irrigation and other agricultural purposes as planned above Sioux City, supply the requirements for downstream water supply and sanitary purposes, provide sufficient water for navigation from Sioux City, Iowa, to the mouth." The net annual depletion of the Missouri River at Sioux City, Iowa, due to the operation of the initial stage of the

Oahe unit would total about 303,000 acre-feet, approximately 1.3 percent of the average annual flow at that point. It should also be noted that a significant amount of reservoir storage capacity has been constructed to meet the multi-purpose needs of the Missouri River Basin.

The Oahe unit was included in and authorized with the general comprehensive plan for the Missouri River Basin project as presented in Senate Document 191 (78th Cong.). As explained in our proposed report, reauthorization of the unit is required in accordance with the act of August 14, 1964. Its development as proposed in our report represents no water use additional to that plan. Therefore, recommendations of the States of Iowa, Kansas, and Missouri, for provisions in the authorizing document and legislation do not appear to be necessary or appropriate.

The Chief of Engineers, Department of the Army, advises that the proposed plan does not conflict with existing or authorized projects or plans of the Corps of Engineers. Comments received from the other States and Federal Agencies either are favorable or offer no objection to the proposed development. Suggested improvements or modifications of certain technical or related details of the proposed plan of development will be considered and can be accommodated as desirable or necessary during advance planning and preconstruction activities following authorization of construction. Such activities will be coordinated with the interested Federal, State, and local agencies. After full consideration of the views and recommendations received, we concluded that revision of our proposed report is not necessary as a result of the reviews.

During subsequent consultation with officials of the State of South Dakota in their desire to comply with requirements of section 2(a) of the Federal Water Project Recreation Act before authorization of construction, further consideration was given to the proposed recreation development of the Oahe unit. Attached is a copy of Supplemental Report No. II dated September 1966¹ which was prepared by the National Park Service to reflect certain desirable changes in the recreation plan requested by the State and the Bureau of Sport Fisheries and Wildlife.

As presented in the supplemental report, the proposed recreation plan for Blunt Reservoir is reduced in scope to reflect existing recreation facilities at the recently completed development at Hipple Lake, a State administered area on Lake Sharpe, and recreation developments at Oahe Reservoir. It also presents a plan for recreation development at North Scatterwood Lake which was not previously included in our proposed recreation plan for the unit. The revised plan as presented in the supplemental report would not change the evaluated recreation benefits, the estimated construction cost of the unit, or its assigned costs, as set forth in our proposed report of September 29, 1965. The requirements for sharing of recreation and fish and wildlife enhancement costs by non-Federal bodies would also remain as set forth in our proposed

¹ Excluded from this publication.

report. Our proposed report therefore is hereby modified to reflect this change in plans for recreation development of the Oahe unit as presented in the attached supplemental report of the National Park Service.

Also attached¹ as a part of this report is a copy of letter dated September 22, 1966, from the Governor of South Dakota transmitting a joint letter of intent of the same date, which is signed by the chairman, Oahe Conservancy Subdistrict and the chairman, South Dakota Game, Fish, and Parks Commission. The joint letter indicates the intent of these State public bodies to agree to administer the land and water areas of the unit for recreation and fish and wildlife enhancement and to bear one-half of the separable costs of the unit allocated to those two functions and all of costs of operation, maintenance, and replacement incurred therefor, as required by section 2(a) of the Federal Water Project Recreation Act.

I recommend that you approve and adopt this report as your report on the Oahe unit, Missouri River Basin project, South Dakota, and that you transmit it, together with the attached documents, to the President and subsequently to the Congress, as provided by the Reclamation Project Act of 1939.

Respectfully,

G. G. STAMM,
Acting Commissioner.

Approved and adopted October 29, 1966:

STEWART L. UDALL,
Secretary of the Interior.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., October 29, 1966.

The PRESIDENT,
The White House,
Washington, D.C.

(Though: Bureau of the Budget.)

DEAR MR. PRESIDENT: My report on the initial stage of the Oahe unit, Missouri River Basin project, South Dakota, is transmitted herewith pursuant to section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187) and section III-E-3 of the procedures approved by the President on May 15, 1962 (S. Doc. 97, 87th Cong.).

The development of the unit presented in this report was authorized by the Flood Control Acts of 1944 (58 Stat. 887) and 1946 (60 Stat. 641). Reauthorization is required under provisions of the act of August 14, 1964 (78 Stat. 446).

The initial stage of the Oahe unit would be a multiple-purpose development encompassing irrigation, flood control, municipal

¹ Excluded from this publication.

and industrial water supply, recreation, fish and wildlife, pollution abatement, and area redevelopment. It would develop a dependable water supply from the Missouri River for 190,000 acres of irrigable land in the Lake Plain area of South Dakota adjacent to the James River and provide municipal and industrial water supplies for 17 towns and cities in and near the unit.

The proposed report on the unit was transmitted to the affected States and interested Federal agencies for review as required by law and the procedures approved by the President on May 15, 1962. Copies of all of the comments received, none of which are in opposition to the proposed plan, are attached to the report.

I recommend that the initial stage of the Oahe unit of the Missouri River Basin project be authorized for construction in accordance with the plan presented in the enclosed report. I shall appreciate receiving your advice concerning the relationship of this proposed water resource development to your program before the report is transmitted to the Congress for its consideration and appropriate action as provided by the Reclamation Project Act of 1939.

Sincerely yours,

STEWART L. UDALL,
Secretary of the Interior.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., August 28, 1967.

Hon. STEWART L. UDALL,
Secretary of the Interior, Washington, D.C.

DEAR MR. SECRETARY: This is in reply to your letter of October 29, 1966, transmitting your proposed report on the Oahe unit of the Missouri River Basin project in South Dakota, and requesting advice as to the relationship of the proposed project to the program of the President.

The Oahe project would provide a water supply for the irrigation of 190,000 acres of land in the James River Basin of eastern South Dakota by the construction of canals, reservoirs, pumping plants, and related facilities to transport water stored behind the Oahe Dam on the Missouri River. The project will provide incidental benefits to municipal water, flood control, fish and wildlife, and recreation. The benefit-cost ratio for the project is estimated at 1.6 using direct benefits over a 100-year period at 3 $\frac{1}{8}$ -percent interest. The Federal investment for the Oahe unit is estimated at approximately \$192 million.

You are advised that there would be no objection to the submission of the report to the Congress from the standpoint of the administration's program. However, no commitment can be made at this time as to when any estimate of appropriation would be sub-

mitted for the construction of the Oahe unit, if authorized by the Congress, since this would be governed by the President's budgetary objectives as determined by the then prevailing fiscal situation.

Sincerely,

PHILIP S. HUGHES,
Acting Director.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., August 29, 1967.

Hon. JOHN W. MCCORMACK,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: As provided by section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187), transmitted herewith is my report on the initial stage of the Oahe unit, Missouri River Basin project, South Dakota.

The report presents a plan for a multiple-purpose water and related land resources development encompassing irrigation, municipal and industrial water supply, recreation, fish and wildlife, flood control, pollution abatement, and area redevelopment. It would develop a dependable water supply from the Missouri River for 190,000 acres of irrigable land in the Lake Plain area of South Dakota adjacent to the James River and provide municipal and industrial water supplies for 17 towns and cities in and near the unit. The plan is engineeringly feasible and economically justified.

The proposed report on the unit was transmitted to the affected States and interested Federal agencies for review as required by law and procedures approved by the President on May 15, 1962. Copies of the comments received, none of which are in opposition to the proposed plan, are attached to the report.

Subsequently, further studies made of the plan presented in the proposed report indicate that investments required to enhance commercial power production at the existing Oahe powerplant would be infeasible. Therefore, the report is hereby modified to eliminate the power enhancement function and the benefits attributable to this purpose and to reduce the cost estimate of the unit by the amount that would have been needed to include that function. Subsequent consideration of the plan also has led to the decision not to include the additional capacity which was proposed in some of the principal supply works for ultimate development of the unit. This also would reduce the cost estimate presented in the proposed report.

The total project and assigned cost for the initial stage of the Oahe unit as shown in the proposed report would be reduced from

\$246,230,000 to \$232,038,000 (January 1964 prices) for this modified plan. A comparison of the allocation of such costs in the September 29, 1965, proposed report with that for the August 1967 modified plan, as presented herein, is as follows:

Purpose	Allocation of project and assigned cost	
	September 1965 proposed report	August 1967 modification
Irrigation	\$205,790,000	\$205,790,000
Municipal and industrial water supply	11,324,000	11,324,000
Fish and wildlife	11,066,000	11,066,000
Flood control	1,234,000	1,234,000
Recreation	2,624,000	2,624,000
Power	2,775,000	
Total allocated	234,813,000	232,038,000
Deferred cost (future capacity)	11,417,000	
Total cost	246,230,000	232,038,000

The elimination of the power benefits and reduction in the estimated costs would have no appreciable effect on the computed benefit-cost ratio for the unit (2.5 to 1 for total benefits and 1.6 to 1 for direct benefits only).

The report and copies of the comments received were submitted to the President on October 29, 1966. On June 26, 1967, we sent a letter to the Director, Bureau of the Budget, copy enclosed,¹ discussing the likely effect of the unit on water quality in the James and Missouri Rivers. Enclosed is a copy of a letter dated August 28, 1967, from the Acting Director of the Bureau of the Budget advising that there would be no objection to the submission of the report to the Congress.

I recommend that the initial stage of the Oahe unit, Missouri River Basin project, be authorized for construction.

Sincerely yours,

STEWART L. UDALL,
Secretary of the Interior.

AUTHORIZING ACT FOR INITIAL STAGE OF OAHE UNIT

An act to authorize the Secretary of the Interior to construct, operate, and maintain the initial stage of the Oahe unit, James division, Missouri River Basin project, South Dakota, and for other purposes. (Act of August 3, 1968, 82 Stat. 624, Public Law 90-453.)

SEC. 1. [Initial stage authorized.] That the Secretary of the Interior is hereby authorized to construct, operate, and maintain in accordance with the Federal reclamation laws (Act of June 17, 1902 (32 Stat. 388), and Acts amendatory thereof or supplementary thereto) the initial stage of the Oahe unit, James division, Missouri River Basin project, South Dakota, for the principal purposes of furnishing a surface irrigation water supply for ap-

¹ Excluded from this publication.

proximately one hundred and ninety thousand acres of land, furnishing water for municipal and industrial uses, controlling floods, conserving and developing fish and wildlife resources, and enhancing outdoor recreation opportunities, and other purposes. The principal features of the initial stage of the Oahe unit shall consist of the Oahe pumping plant (designed to provide for future enlargement) to pump water from the Oahe Reservoir, a system of main canals, regulating reservoirs, and the James diversion dam and the James pumping plant on the James River. The remaining works will include appurtenant pumping plants, canals, and laterals for distributing water to the land, and a drainage system.

SEC. 2. [Recreation; fish and wildlife development.] The conservation and development of the fish and wildlife resources and the enhancement of recreation opportunities in connection with the initial stage of the Oahe unit shall be in accordance with the provisions of the Federal Water Project Recreation Act (79 Stat. 213). Construction of the initial stage of the Oahe unit shall not be commenced as long as the State of South Dakota retains in its laws provisions that prohibit the hunting of migratory waterfowl by nonresidents in the waterfowl enhancement areas included within the area served by the project herein authorized.

SEC. 3. [Integration with other Federal works.] The Oahe unit shall be integrated physically and financially with the other Federal works constructed or authorized to be constructed under the comprehensive plan approved by section 9 of the Act of December 22, 1944, as amended and supplemented.

SEC. 4. [Water delivery restriction.] For a period of ten years from the date of enactment of this Act, no water from the project authorized by this Act shall be delivered to any water user for the production on newly irrigated lands of any basic agricultural commodity, as defined in the Agricultural Act of 1949, or any amendment thereof, if the total supply of such commodity for the marketing year in which the bulk of the crop would normally be marked [sic ¹] is in excess of the normal supply as defined in section 301(b)(10) of the Agricultural Adjustment Act of 1938, as amended, unless the Secretary of Agriculture calls for an increase in production of such commodity in the interest of national security.

SEC. 5. [Interest rate determination.] The interest rate used for purposes of computing interest during construction and interest on the unpaid balance of the capital costs allocated to interest-bearing features of the project shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which construction is initiated, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations, which are neither due nor callable for redemption for fifteen years from date of issue.

SEC. 6. [Appropriation authorized.] There is hereby authorized to be appropriated for construction of the initial stage of the

¹ Marketed.

Oahe unit as authorized in this Act the sum of \$191,670,000 (based upon January 1964 prices), plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering costs indexes applicable to the types of construction involved herein. There are also authorized to be appropriated such additional sums as may be required for operation and maintenance of the unit.

LAKE OAHE DESIGNATION

An act to designate the Oahe Reservoir on the Missouri River in the States of North Dakota and South Dakota as Lake Oahe. (Act of March 21, 1968, 82 Stat. 51, Public Law 90-270.)

That the Oahe Reservoir on the Missouri River in the States of North Dakota and South Dakota shall be known and designated hereafter as Lake Oahe in honor of the Indian people who inhabited the great Missouri River Basin. Any law, regulation, document, or record of the United States in which such reservoir is referred to by any other name shall be held and considered to refer to such reservoir by the name of Lake Oahe.

MOUNTAIN PARK PROJECT

OKLAHOMA

The feasibility plan for the Mountain Park Project in Oklahoma was transmitted by the Secretary of the Interior to the Congress on May 11, 1966 (House Document No. 438, 89 Cong.). Construction was authorized by act of Congress on September 21, 1968 (82 Stat. 853).

DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., October 22, 1963.

The SECRETARY OF THE INTERIOR.

SIR: This is my proposed report on a plan of development for the Mountain Park project, Oklahoma. It is based on and includes the attached¹ feasibility report of the regional director dated August 6, 1962, revised in June 1963, and the appended reports of the Bureau of Sport Fisheries and Wildlife, the National Park Service, the Corps of Engineers, and the Public Health Service.

The Mountain Park project is a multipurpose proposal to provide urgently needed new and supplemental municipal and industrial water supplies, flood control, conservation of fish and wildlife resources, and recreation opportunities. The proposal would provide some benefits from control of water quality during the initial years of project operation; but, as the entire yield of the project water supply eventually would be required for municipal and industrial use, the monetary benefits from water pollution control have not been evaluated.

The cities of Altus and Snyder have expressed strong interest in developing this project and in contracting for repayment of the reimbursable costs of the project allocated to the municipal and industrial water supply function. Inadequate water supplies for urban growth and industrial expansion constitute a major problem in the further development of Altus and Snyder. Altus presently obtains its water supply from Altus Reservoir of the W. C. Austin project under a contract for a maximum of 4,800 acre-feet of water annually. The city has made repeated efforts over a period of years to locate additional adequate ground water supplies near the city but has been unsuccessful due, principally, to the poor quality of the ground water in this area. The city of Snyder

¹ Excluded from this publication.

presently obtains its supplies from wells, but the Oklahoma Department of Health has warned the city concerning the high nitrate content in its emergency wells. In 1960 the city of Snyder petitioned the Bureau of Reclamation to be included as a participant in the Mountain Park project.

The plan for development of the Mountain Park project involves the construction of Mountain Park Dam and Reservoir on Otter Creek; Bretch diversion dam and canal on Elk Creek to divert and convey Elk Creek flows into Mountain Park Reservoir; an aqueduct system to deliver water to the cities of Altus (including Altus Air Force Base) and Snyder; the acquisition of lands for and construction of recreation facilities at the reservoir; and the acquisition of lands for creation of a wildlife management area.

The Mountain Park Dam and Reservoir site is on Otter Creek in Kiowa County about 6 miles north of the city of Snyder. The dam would be a rolled earth structure which would create a reservoir having a total initial storage capacity of about 230,700 acre-feet, of which 101,500 acre-feet would be surcharge capacity. The remainder of the capacity is allocated 20,800 acre-feet to flood control storage, 99,400 acre-feet to conservation storage, and 9,000 acre-feet to dead storage. At the top of the conservation pool, elevation 1,411 feet above sea level, which is considered normal pool, the water surface would have an area of about 6,800 acres.

* * *

The plan provides for construction of the project in two stages, the second stage of construction to be accomplished as the demand for the ultimate yield of the project develops. Inasmuch as the regulated flows of Otter Creek are expected to meet initial water requirements, the first stage of construction is planned to include Mountain Park Dam and Reservoir and the aqueduct system for utilization of Otter Creek flows only. The second stage, which would be constructed after about 10 years of operation of the first stage, includes the Bretch diversion dam and canal to divert the Elk Creek flows needed to meet the ultimate demands for water.

* * *

Project construction costs, which were based on October 1960 prices, are considered essentially representative of current prices. On this basis, the total estimated construction cost of the Mountain Park project is \$18,758,000, which is tentatively allocated as follows:

Municipal and industrial water supply	\$13,383,000
Flood control	2,428,000
Fish and wildlife	2,111,000
Recreation	836,000
Total construction cost	18,758,000

* * *

The plan of repayment contemplates that the master conservancy district or appropriate repayment entities would contract with the United States for repayment of the costs assigned for repayment by Altus and Snyder. The State of Oklahoma would give assurance of repayment of the costs assigned to future demands. Separate repayment contracts are contemplated for each stage of construction and would be executed prior to initiation of construction on each stage. Each contract would require repayment of the reimbursable costs assigned to Altus and Snyder within a 50-year period from completion of construction of that specific stage.

The city of Altus presently supplies water to the Altus Air Force Base under a contract agreement. The city has expressed its desire to continue supplying water to the base after completion of the Mountain Park project. The Altus pipeline, therefore, has been designed with capacity for both the city of Altus and the Altus Air Force Base.

* * *

The plan for development of the Mountain Park project, as presented in the regional director's report, is engineeringly feasible and economically justified. Average annual total benefits are estimated to be about \$1,450,000 on the basis of a 100-year period of analysis. Comparison of these annual benefits with the estimated annual project costs of \$685,400 results in a benefit-cost ratio of 2.12 to 1. I therefore concur in and adopt the recommendations of the regional director as set forth on page LVIII of his report of August 6, 1962, as revised in June 1963. His recommendation concerning nonreimbursable operation and maintenance costs in item (c)(2) of his recommendations refers, in relation to fish and wildlife and recreation, to only that part of the operating cost of joint facilities allocated to those functions.

I recommend that you approve and adopt this as your proposed report on a plan of development for the Mountain Park project, Oklahoma, and that you authorize me on your behalf to transmit copies of this proposed report to the States of the Red River Basin and to the Secretary of the Army for review, as required by the Flood Control Act of 1944 (58 Stat. 887); to the State of Oklahoma for the views and recommendations of the head of the agency exercising administration over the fish and wildlife resources of that State, pursuant to the provisions of the Fish and Wildlife Coordination Act (48 Stat. 401, as amended; 16 U.S.C. 661, et seq.) and for the views and recommendations of the State agency exercising recreation functions; and to other interested Federal agencies, as provided by Presidential instructions.

Sincerely yours,

WILBUR P. KANE,
Acting Commissioner.

Approved and adopted November 6, 1963.

STEWART L. UDALL,
Secretary of the Interior.

DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., April 30, 1964.

The SECRETARY OF THE INTERIOR.

SIR: This is my report on the Mountain Park project, Oklahoma. It is based on and includes our proposed report of October 22, 1963, on this project, which you approved and adopted as your proposed report on November 6, 1963.

Copies of the proposed report were transmitted on November 14, 1963, to the States of the Red River Basin, to the Secretary of the Army, and to the interested Federal agencies for review as required by law and Presidential instructions. Copies of the comments received from all of the recipients are attached¹ to, and made part of, this report.

The Governor of Oklahoma advises that the State concurs in our report and, due to the critical needs for additional municipal and industrial water supplies by the city of Altus (including the Altus Air Force Base), recommends that the report be submitted for consideration by the Congress at the earliest possible date.

In commenting on our proposed report, the Governor of Texas concurs in the findings of the Texas Water Commission in its review of the report. The commission in its order of February 14, 1964, cites language from the act of June 28, 1938 (52 Stat. 1215, 1219), which acknowledges on behalf of the United States certain jurisdiction of the States of Oklahoma and Texas over the waters of all tributaries of Red River above Denison Dam. The commission's order states that it will not offer objection to the Mountain Park project, provided, however, that if our Department and the Department of Justice should place a contrary interpretation on the quoted language, the commission would object to Secretarial approval or congressional authorization of the project until the compact now being negotiated to allocate the waters of the Red River and tributaries has been agreed to by representatives of the States of Arkansas, Louisiana, Oklahoma, and Texas, and has been ratified by these States and approved by the Congress. The Commission's order also requests the Secretary of the Interior to either make, or have made by the Department of Justice, an interpretation as to the legal effect of the quoted language from the aforementioned act upon the development of projects on tributary streams in Texas and Oklahoma above Denison Dam.

In the above-cited act the United States acknowledges the right of the States of Oklahoma and Texas to continue to exercise all existing proprietary or other rights of supervision of and jurisdiction over the waters of all tributaries of Red River within their borders above Denison Dam in the same manner and to the same extent as is now or may hereafter be provided by the laws of said States, respectively. We do not propose to place a contrary interpretation or, in fact, any interpretation upon the relative rights of these two States, over which they alone have jurisdiction, as

¹ Excluded from this publication.

set forth in the act. Such neutral position is consistent with the only point contained in said statute; namely, that the United States has acknowledged certain State jurisdiction, which is entirely consistent with our plan of development for the Mountain Park project.

The Governor of Arkansas advised that construction of the project will not materially affect that State. In the comments of the State of Louisiana, it was stated that any effect that the project may have on streamflow regimen will be of no consequence on the Red River in Louisiana.

The Chief of Engineers, Department of the Army, finds that the proposed plan does not conflict with any existing or authorized projects or plans of the Corps of Engineers.

In its comments of February 18, 1964, the Department of Agriculture questioned whether coordination to resolve conflicts of interests in respect to our project and planning of local proposals under the Watershed Protection and Flood Prevention Act had been obtained. Following consideration of this problem by an interdepartmental committee and review of an appendix to our report and Oklahoma's comments, the Department of Agriculture by letter dated April 8, 1964, copy ¹ also attached, stated that it offered no objection to our plan of development for the project.

The comments of the other Federal agencies are generally favorable to the proposed development. In view thereof and as none of the States or Federal agencies interposes any objections to the recommendations for authorization of construction of the project, revision of our proposed report is not necessary as a result of the reviews.

Subsequent to transmittal of the report for review, however, the plan of development has been reanalyzed in light of the new "Policies, Standards, and Procedures in the Formulation, Evaluation, and Review of Plans for Use and Development of Water and Related Land Resources" approved by the President on May 15, 1962 (S. Doc. 97, 87th Cong.), and the administration's cost-sharing and reimbursement policies for recreation and fish and wildlife developments as set forth in H.R. 9032, 88th Congress. The effect of the changes necessitated as a result of this reanalysis is not significant. The physical plan, estimated construction cost, and basic data are unchanged. Only the financial and economic analyses differ from our proposed report. All of the construction costs allocated to fish and wildlife and recreation developments would be nonreimbursable under the provisions of H.R. 9032, as was the case under the procedures used in our proposed report of October 22, 1963.

A copy of the regional director's reevaluation statement, dated March 1964, describing the effect of the reevaluation on our proposed plan of development, is attached ¹ to and made a part of this report. The effect of the reevaluation upon the allocation of

¹ Excluded from this publication.

construction costs and repayment is shown in the attached ^{1,2} summary. The benefit-cost ratio of 2.12 to 1, as shown in our proposed report, would be reduced to 2.04 to 1 by the March 1964 reevaluation.

Therefore, in order to adopt the revised economic and financial analyses described herein, our proposed report of October 22, 1963, is here modified as necessary.

I recommend that you approve and adopt this report as your report on the Mountain Park project, and that you transmit it, together with the attached comments, and the reevaluation statement to the President and subsequently to the Congress in accordance with the Reclamation Project Act of 1939.

Respectfully,

FLOYD E. DOMINY,
Commissioner.

Approved and adopted, May 12, 1964.

STEWART L. UDALL,
Secretary of the Interior.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., May 12, 1964.

The PRESIDENT,
The White House, Washington, D.C.
(Through the Bureau of the Budget).

DEAR MR. PRESIDENT: My report on a plan of development for the Mountain Park project, Oklahoma, is transmitted herewith pursuant to the Reclamation Project Act of 1939 (53 Stat. 1187).

The Mountain Park project is a multipurpose proposal to provide urgently needed new and supplemental municipal and industrial water supplies, flood control, conservation and development of fish and wildlife resources, and recreation opportunities. The proposal would provide some benefits from control of water

¹ Excluded from this publication.

² [Extract from enclosure to Secretary's letter dated October 24, 1967 to Chairman, Committee on Interior and Insular Affairs.]

"Subsequent to the recent transmittal of the Secretary's planning report dated April 30, 1964, to the Congress and for use in reporting on proposed legislation to authorize construction of the Mountain Park Project, Oklahoma, the economic and financial aspects of the plan of development for the project were reanalyzed in April 1966 to reflect more recent price levels and current interest rates and to conform the plan with present policies and procedures for water resource project formulation and repayment of reimbursable investment costs, including the Federal Water Project Recreation Act of July 9, 1965 (70 Stat. 213).

The estimated cost of the project has increased from \$18,758,000 (October 1960 prices) to \$19,978,000 (January 1965 prices) because of increased price levels. The current interest rate for plan formulation and evaluation is 3½ percent as compared to 3 percent in the April 1964 report, and the current interest rate for reimbursement purposes is 3.222 percent as compared to the previously used 3.046 percent."

Table 1 allocates the cost as follows: municipal and industrial water supply, \$14,432,000; flood control, \$2,713,000; fish and wildlife, \$2,021,000; and recreation, \$812,000.

quality during the initial years of project operation; but, as the entire yield of the project water supply eventually would be required for municipal and industrial use, the monetary benefits from water pollution control have not been evaluated. The cities of Altus and Snyder have expressed strong interest in developing this project and in contracting for repayment of the reimbursable costs of the project allocated to the municipal and industrial water supply function. The project is engineeringly feasible and economically justified, with benefits exceeding costs in the ratio of 2.04 to 1. The plan of development has been reevaluated to reflect the administration's cost-sharing and reimbursement policies set forth in H.R. 9032, 88th Congress.

The proposed report on this project was transmitted to the States of the Red River Basin and to the interested Federal agencies for review as required by law and Presidential instructions. Copies of the review comments received are attached to the report.

I recommend that the plan of development for the Mountain Park project, Oklahoma, be authorized as set forth in my report. I shall appreciate having advice concerning the relationship of the project to your program before transmitting the report to the Congress for its consideration and appropriate action as provided in the Reclamation Project Act of 1939.

Sincerely yours,

STEWART L. UDALL,
Secretary of the Interior.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., January 28, 1966.

Hon. STEWART L. UDALL,
Secretary of the Interior,
Washington, D.C.

DEAR MR. SECRETARY: This is in reply to your letter of May 12, 1964, transmitting your report on the Mountain Park project, Oklahoma, and requesting advice as to the relationship of the proposal to the program of the President.

Your proposed plan provides for a multipurpose development on Otter and Elk Creeks to provide for municipal and industrial water supply, flood control, fish and wildlife enhancement, and recreation. The total estimated cost is \$18,758,000, and the ratio of benefits generated by the project to its costs is 2.04 to 1.

There has been considerable concern about sufficient water supply for the proposed project due to possible upstream development. We note that under Oklahoma law all unappropriated waters of both Otter and Elk Creeks have been withdrawn for the proposed project. The Department of Agriculture has no objection to the project, but suggests that flood control capacity be re-

considered during preconstruction planning and coordinated with upstream proposals of the Soil Conservation Service. It is our understanding that such coordination will not result in endangering the water supply of the proposed Mountain Park project.

We note that the aqueduct system costing \$5,008,000, including pipelines, a pumping plant and associated general property, is recommended as part of the proposed project. We feel that this should be considered a project responsibility only if other financial sources are incapable of funding the system. We recommend, therefore, that before funds are requested for construction of the project, non-Federal financing of the system be explored with project beneficiaries, and that the assistance and views of the Community Facilities Administration be secured on this matter.

We assume that it will be possible for you to obtain a letter of intent from non-Federal interests concerning the administration of features and reimbursement of certain costs related to recreation and fish and wildlife enhancement as required by section 2(a) of the Federal Water Project Recreation Act (Public Law 89-72).

Accordingly, you are advised that after such an expression is obtained, in writing, there would be no objection to the submission of the report to the Congress. However, no commitment can be made at this time as to when any estimate of appropriation would be submitted for construction of the Mountain Park project, if authorized by the Congress, since this would be governed by the President's budgetary objectives as determined by the then prevailing fiscal situation.

Sincerely,

ELMER B. STAATS,
Deputy Director.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., May 11, 1966.

Hon. JOHN W. McCORMACK,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: As provided by section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187) there is transmitted herewith my report on the Mountain Park project, Oklahoma.

This proposed project is a multipurpose water resources development to provide urgently needed municipal and industrial water supplies, flood control, conservation and development of fish and wildlife resources, and recreation opportunities. The plan of development for the project is engineeringly feasible and economically justified. The cities of Altus and Snyder have expressed strong interest in developing this project and in contracting with the United States for repayment of the reimbursable costs

thereof. Local and State interests are presently in the process of establishing a water users' organization under State law for this purpose.

My proposed report on this project was reviewed by the States of the Red River Basin, the Secretary of the Army, and interested Federal agencies, as required by law and Presidential instructions. Copies of the review comments received are attached to the report.

The report and copies of the comments received were submitted to the President on May 12, 1964. The Deputy Director of the Bureau of the Budget by letter of January 28, 1966, advised that if a letter of intent is obtained from non-Federal interests concerning the administration of features and reimbursement of certain costs related to recreation and fish and wildlife enhancement, as required by section 2(a) of the Federal Water Project Recreation Act, there would be no objection to submission of the report to the Congress. Enclosed¹ is a copy of a letter dated February 25, 1966, from the Honorable Hoyt Shadid, mayor of the city of Altus, expressing the city's intent to assume the responsibilities under that act.

I recommend that the Mountain Park project, Oklahoma, be authorized for construction as set forth in my report.

Sincerely yours,

STEWART L. UDALL,
Secretary of the Interior.

AUTHORIZING ACT

An act to authorize the Secretary of the Interior to construct, operate, and maintain the Mountain Park reclamation project, Oklahoma, and for other purposes. (Act of September 21, 1968, 82 Stat. 853, Public Law 90-503.)

SEC. 1. [Construction authorization.] That the Secretary of the Interior is authorized to construct, operate, and maintain the Mountain Park reclamation project, Oklahoma, under the Federal reclamation laws (Act of June 17, 1902; 32 Stat. 388, and Acts amendatory thereof or supplementary thereto) for the principal purposes of storing, regulating, and furnishing water for municipal, domestic, and industrial uses, conserving and developing fish and wildlife resources, providing outdoor recreation opportunities, and controlling floods. The principal features of the project shall consist of a dam and reservoir on Otter Creek, a diversion dam on Elk Creek, a canal from the diversion dam to a storage reservoir on Otter Creek, aqueducts from the storage reservoir to the cities of Altus and Snyder, Oklahoma, a wildlife management area, and basic public outdoor recreation facilities. Construction of the project may be undertaken in such units or stages as in the

¹ Excluded from this publication.

determination of the Secretary will best serve project requirements and meet water needs.

SEC. 2. (a) [**Repayment period.**] Costs of the project, or any unit or stage thereof, allocated to municipal water supply, shall be repayable, with interest, by the municipal water users over a period of not more than fifty years from the date that water is first delivered for that purpose, pursuant to contracts with municipal corporations or other organizations, as defined in section 2(g) of the Reclamation Project Act of 1939 (53 Stat. 1187). Such contracts shall be precedent to the commencement of construction of any unit or stage of the project. The contracting organization shall be responsible for the disposal and sale of water surplus to its requirements, but revenues therefrom shall be used only for payment of operation and maintenance costs, interest, and retirement of the obligation assumed in the contract. Contracts may be entered into with water users' organizations pursuant to the provisions of this Act without regard to the last sentence of subsection 9(c) of the Reclamation Project Act of 1939 (53 Stat. 1187).

(b) [**Interest rate; determination by Secretary.**] The interest rate used for computing interest during construction and interest on the unpaid balance of the costs of the project allocated to municipal water supply shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which construction is commenced, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations which are neither due nor callable for redemption for fifteen years from date of issue, and by adjusting such interest rate to the nearest multiple of one-eighth of 1 per centum if the computed average interest rate is not a multiple of one-eighth of 1 per centum.

SEC. 3. [**Transfer of operation, etc. to water users' organization.**] The Secretary is authorized to transfer to a water users' organization the care, operation, and maintenance of the project works, and, if such transfer is made to credit annually against the organization's repayment obligation that portion of the year's operation and maintenance costs which, if the United States had continued to operate the project, would have been allocated to flood control, fish and wildlife, and recreation purposes. Prior to assuming care, operation, and maintenance of the project works the water users' organization shall obligate itself to operate them in accordance with regulations prescribed by the Secretary of the Army with respect to flood control, and by the Secretary of the Interior with respect to fish and wildlife and recreation. Upon complete payment of the obligation assumed, the water users organization, its designee or designees, shall be conveyed title to such portions of the aqueducts and related facilities as are used solely for delivering project water to water users, and shall have a permanent right to use that portion of project reservoir capacity which is or may be allocated to municipal and industrial water supply purposes by the Secretary of the Interior, so long as the space design-

nated for those purposes may be physically available, taking into account such equitable reallocation of reservoir storage capacities among the purposes to be served by the project as may be necessary due to sedimentation, subject, if the project is then operated by the United States, to payment to the United States of a reasonable annual charge to cover operation and maintenance costs and a fair share of administrative costs applicable to the project.

SEC. 4. Expenditures for the Mountain Park project may be made without regard to the soil survey and land classification requirements of the Interior Department Appropriation Act of 1954 (67 Stat. 266).

SEC. 5. **[Fish and wildlife and recreation.]** The conservation and development of the fish and wildlife resources and the enhancement of recreation opportunities in connection with the Mountain Park reclamation project shall be in accordance with the Federal Water Project Recreation Act (79 Stat. 213).

SEC. 6. **[Appropriation authorized.]** There is hereby authorized to be appropriated for construction of the Mountain Park Reclamation Project the sum of \$19,978,000 (January 1965 prices), plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indexes applicable to the type of construction involved herein. There are also authorized to be appropriated such additional sums as may be required for the operation and maintenance of the project.

NORMAN PROJECT

OKLAHOMA

Norman Project feasibility report was transmitted by the Secretary of the Interior to the Congress on July 1, 1958. Construction of the project was authorized by act of Congress on June 27, 1960 (74 Stat. 225).

DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., January 14, 1957.

The SECRETARY OF THE INTERIOR.

SIR: This is my report on a plan of development for the Norman project, Oklahoma. It is based on, and includes, our proposed report of March 14, 1956, which the Assistant Secretary of the Interior approved for transmittal on May 23, 1956.

Copies of the proposed report were transmitted to the affected States of the Arkansas River Basin and the Secretary of the Army, in accordance with the provisions of section 1 (c) of the Flood Control Act of 1944. As provided by the act of August 14, 1946, the report was also sent to the State of Oklahoma for comments from the head of the agency exercising administration of the wildlife resources of that State. In addition, copies of the report were sent to the agencies represented on the Inter-Agency Committee on Water Resources.

Comments have been received from all States except Arkansas, Colorado, and Louisiana, which would not be affected directly by the proposed project, and from all of the Federal agencies. Copies of those comments are attached¹ to, and made a part of, the report.

In general, the comments were favorable or offered no objection to the proposed plan of development. The State of Oklahoma concurred in the general plan of development. In respect to the possibilities of partnership development the Governor of Oklahoma points out in his letter of August 28, 1956, that because of the increase in cost which would result from higher interest rates and shorter repayment period under private financing of the non-Federal portion of project construction, the water users prefer an all-Federal project which will deliver the water to the distribution systems of the communities participating. He states that

¹ Excluded from this publication.

when this is accomplished there still remains the problem of each participating community providing the extension and enlargement of its respective distribution system, as well as enlargement and renewal of the sanitary sewer systems and other appurtenances necessary for proper service to customers, and that this arrangement will provide a desirable partnership plan of development in an area in which there is a substantial Federal interest. As pointed out in our proposed report, however, the water users have indicated willingness, should it be required, to undertake the responsibilities involved in the partnership approach considered in that report.

The Department of the Army calls attention to the studies underway by the Corps of Engineers on its review report on the Little River. In view of the fact that irrigation is not included, the December 26, 1956, letter from the Chief of Engineers suggests that the Congress may wish to consider whether the project should be studied under flood-control law rather than reclamation law. This proposed multipurpose water resource development was studied by Reclamation and coordinated as a unit of the comprehensive plan for conservation and development of the water and land resources of the Arkansas-White-Red River Basins as developed by the Inter-Agency Committee on which the Department of the Army was represented. The committee's report as submitted to the Congress on June 18, 1956, presents the proposed Norman project as one of the category I projects studied by the Bureau of Reclamation and considered to be feasible and desirable to schedule and carry out within a reasonably short future period of time. A copy of the Corps' report¹ prepared for Reclamation's use is attached to our feasibility report. There would appear to be little gained in duplicating the study of the proposed Norman project under flood-control acts. The proposed project, however, will need to be integrated with the Corps' further planning activities on Little River. The Bureau of Reclamation will be happy to cooperate with that agency in accomplishing that coordination as indicated in our January 2, 1957, reply to the Chief of Engineers, a copy of which is attached to the comments from the Department of the Army.

The Department of Agriculture questioned certain technical and related agricultural and watershed treatment aspects of the proposed plan of development. As indicated above, the proposed plan was formulated and coordinated as a unit of the comprehensive basins plan developed by the Inter-Agency Committee on which the Department of Agriculture also was represented. The technical phases of the plan are considered to be presented adequately to show feasibility of this proposed water resource development. Those comments, involving relatively minor details of the proposed plan of development, can await further consideration during advance planning activities following authorization of the project. A copy of our December 28, 1956, reply is attached to the November 1, 1956, comments from Agriculture.

¹ Excluded from this publication.

As the nature of the comments received is favorable and because those questions which were raised can be clarified and accommodated in postauthorization investigations, I believe that revision of the proposed report is not necessary.

Accordingly, I recommend that you approve and adopt this as your report on the Norman project, Oklahoma, and that you transmit it together with the attached comments¹ to the President and subsequently to the Congress in accordance with the provisions of the Reclamation Project Act of 1939.

Respectfully,

E. G. NIELSEN,
Acting Commissioner.

Approved and adopted June 20, 1957.

FRED A. SEATON,
Secretary of the Interior.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., June 20, 1957.

The PRESIDENT,
The White House, Washington, D.C.
(Though the Bureau of the Budget).

MY DEAR MR. PRESIDENT: My report on a plan of development for the proposed Norman project, Oklahoma, is transmitted herewith under provisions of section 9(a), Reclamation Project Act of 1939 (53 Stat. 1187).

The plan for the Norman project was studied and coordinated by the Bureau of Reclamation as an element of the comprehensive plan formulated by the Inter-Agency Committee for conservation and development of the water and related land resources of the Arkansas-White-Red River Basins. Budget Director Percival Brundage transmitted the committee's report on that comprehensive basins plan to the Congress on June 18, 1956.

The proposed Norman project would provide an urgently needed new, dependable source of municipal and industrial water supplies for cities and a military establishment in central Oklahoma. The project also would provide for flood control, preservation and propagation of fish and wildlife, and recreation opportunities through the regulation and conservation of the runoff of Little River, a tributary of the Arkansas River. Operation of the project would provide flood protection to downstream lands thereby permitting more intensive use of arable lands and encouraging other reclamation activities, and probably expanding the irrigated acreage under private enterprise.

The possibilities of partnership development were explored with the local interests in view of the predominant municipal and industrial water supply function served by the project. The partnership approach considered involves (1) construction of the

¹ Excluded from this publication.

multi-purpose reservoir with Federal funds, subject to execution of a satisfactory contract under which the reimbursable portion of reservoir costs would be repaid with interest by the municipal and industrial water users, and (2) the pumping plants, pipelines, and other facilities required to deliver water from the reservoir to the project cities would be constructed by the water users, and would be financed by use of non-Federal funds. Although local interests prefer an all-Federal project, they have indicated willingness, should it be required, to undertake the responsibilities involved in the partnership approach considered.

The total estimated cost of the Norman project on the basis of May 1954 prices, including interest of about \$370,000 during construction and \$362,000 for accessory recreation facilities to be provided by non-Federal agencies, is about \$15,000,000. Tentative allocations of those estimated costs in rounded figures would be about as follows: Municipal and industrial water supplies—\$3,100,000 reimbursable, \$5,100,000 non-Federal and \$1,700,000 assignable to the Tinker Air Force Base; flood control—\$2,100,000 nonreimbursable; fish and wildlife—\$2,360,000, nonreimbursable; recreation—\$280,000 nonreimbursable and \$360,000 non-Federal. The plan of development has engineering feasibility and is economically justified. On 50-year and 100-year periods of analysis the respective benefit-cost ratios would be about 1.7 to 1 and 1.8 to 1.

The proposed report was coordinated with the affected States of the Arkansas River Basin, the Secretary of the Army, and interested Federal agencies as required by the Flood Control Act of 1944 (58 Stat. 887), the act of August 14, 1946 (60 Stat. 1080), and interagency agreement. Copies of the comments received as a result of that coordination are attached ¹ to the report.

I recommend that the plan of development for the Norman project, Oklahoma, be authorized as set forth in my report. I shall appreciate having advice concerning the relationship of the Norman project to your program before I transmit the report to the Congress for its consideration and appropriate action in accordance with the provisions of the Reclamation Project Act of 1939.

Sincerely yours,

FRED A. SEATON,
Secretary of the Interior.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., July 1, 1958.

Hon. SAM RAYBURN,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: As provided by section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187), my report and find-

¹ Excluded from this publication.

ings on the Norman project, Oklahoma, are transmitted herewith.

The report presents a plan of development for a multipurpose project on Little River, a tributary of Canadian River in central Oklahoma. The project would provide an urgently needed new, dependable source of municipal and industrial water supplies for the cities of Norman, Midwest City, and Del City, and for Tinker Air Force Base. It would also provide for flood control, preservation and propagation of fish and wildlife, and recreation opportunities through the regulation and conservation of streamflows.

Under the partnership arrangement proposed in the report Federal participation in the development would be limited to construction of the dam and reservoir on Little River. Local interests would construct the facilities necessary to deliver water from the reservoir to the project cities.

My proposed report on the project was coordinated with the affected States of the Arkansas River Basin, the Secretary of the Army, and interested Federal agencies as required by the Flood Control Act of 1944 (58 Stat. 887), the act of August 14, 1946 (60 Stat. 1080), and interagency agreement. Copies of the comments received as a result of that coordination are attached to the report.

The report and copies of the comments were submitted to the President on June 20, 1957. Assistant Budget Director Robert E. Merriam's letter of September 10, 1957, advises that, subject to consideration of his recommendations, there would be no objection to submission of the report to the Congress. A copy of his letter is enclosed.¹

Sincerely yours,

FRED A. SEATON,
Secretary of the Interior.

AUTHORIZING ACT

[Extracts from] An act to authorize the Secretary of the Interior to construct, operate, and maintain the Norman project, Oklahoma, and for other purposes. (Act of June 27, 1960, 74 Stat. 225, Public Law 86-529.)

SEC. 1. [**Construction authorized.**] That the Secretary of the Interior is authorized to construct, operate, and maintain the Norman Federal reclamation project, Oklahoma, in accordance with the Federal reclamation laws (Act of June 17, 1902, and Acts amendatory thereof or supplemental thereto), except so far as those laws are inconsistent with this Act, for the principal purposes of storing, regulating, and furnishing water for municipal, domestic, and industrial use, and for controlling floods, and, as incidents to the foregoing for the additional purposes of regulating the flow of the Little River, providing for the conservation and development of fish and wildlife, and of enhancing recrea-

¹ Excluded from this publication.

tional opportunities. The Norman project shall consist of the following principal work: A reservoir on Little River near Norman, Oklahoma, pumping plants, pipelines, and other conduits for furnishing water for municipal, domestic, and industrial use.

The Secretary may enter into suitable contracts with municipal organizations, or other organizations as defined in section 2, Reclamation Project Act of 1939 (53 Stat. 1187), to undertake with non-Federal financing the construction of pumping plants, pipelines, and other conduits, or of any of such works, for furnishing water for municipal, domestic, and industrial use, and to advance to such organizations during the construction period funds to cover an appropriate share of the costs thereof attributable to furnishing water to Tinker Air Force Base.

SEC. 2. [Conditions.] In constructing, operating, and maintaining the Norman project, the Secretary shall allocate proper costs thereof in accordance with the following conditions:

(a) Allocations to flood control, recreation, and the conservation and development of fish and wildlife and water supply for Tinker Air Force Base shall be nonreturnable.

(b) Allocations to municipal water supply, including domestic, manufacturing, and industrial uses, with the exception of that for Tinker Air Force Base, shall be repayable to the United States by the water users through contracts with municipal corporations, or other organizations as defined by section 2, Reclamation Project Act of 1939 (53 Stat. 1187), under the provisions of the Federal reclamation laws, and to the extent appropriate, under the Water Supply Act of 1958. Such contracts shall be precedent to the commencement of construction of any project unit affecting the individual municipalities, and shall provide for repayment of construction costs allocated to municipal water supply in not to exceed fifty years from the date water is first delivered for that purpose: *Provided*, That the water users' organization be responsible for the disposal and sale of all water surplus to its requirements, and that the revenues therefrom shall be used by the organization for the retirement of project debt payment, payment of interest, and payment of operation and maintenance cost. The interest rate used for purposes of computing interest during construction and interest on the unpaid balance shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which construction is initiated, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations, which are neither due nor callable for redemption for fifteen years from date of issue.

(c) Upon the completion of the payment of the water users' construction cost obligation, together with the interest thereon, the water users shall have a permanent right to the use of that portion of the project allocable to municipal water supply purposes, subject, if the project is then operated by the United States, to payment of a reasonable annual charge by the Secretary of the Interior sufficient to pay all operation and maintenance

nance charges and a fair share of the administrative costs applicable to the project.

SEC. 3. [**Contracts.**] Contracts may be entered into with the water user's organization pursuant to the provisions of this Act without regard to the last sentence of subsection (c) of section 9 of the Reclamation Project Act of 1939.

SEC. 4. [**Transfer of operation.**] The Secretary is authorized to transfer to the project water users the care, operation, and maintenance of the works herein authorized, and, if such transfer is made, to deduct from the obligation of the water users the reasonable capitalized equivalent of that portion of the estimated operation and maintenance cost of the undertaking which, if the United States continues to operate the project, would be allocated to flood control and fish and wildlife purposes. Prior to taking over the care, operation, and maintenance of said works, the water users' organization shall obligate itself to operate them in accordance with criteria specified by the Secretary of the Army with respect to flood control and the Secretary of the Interior, with respect to fish and wildlife: *Provided*, That operation and maintenance and replacement cost of furnishing water supply to Tinker Air Force Base, as contemplated in the plan of development, shall be provided by an appropriate agreement between the Secretary of Defense and the water users' organization.

SEC. 5. [**Construction limitation.**] Construction of the Norman project herein authorized may be undertaken in such units or stages as in the opinion of the Secretary best serves the project requirements and the relative needs for water of the several municipal users. Repayment contracts negotiated in connection with each unit or stage of construction shall be subject to the terms and conditions of section 2 of this Act.

SEC. 6. [**Recreational facilities.**] The Secretary may, upon conclusion of a suitable agreement with any qualified agency of the State of Oklahoma or a political subdivision thereof for assumption of the administration, operation, and maintenance thereof at the earliest practicable date, construct or permit the construction of public park and recreational facilities on lands owned by the United States adjacent to the reservoirs of the Norman project, when such use is determined by the Secretary not to be contrary to the public interest, all under such rules and regulations as the Secretary may prescribe. No recreational use of any area to which this section applies shall be permitted which is inconsistent with the laws of the State of Oklahoma for the protection of fish and game and the protection of the public health, safety, and welfare. The Federal costs of constructing the facilities authorized by this section shall be limited to the nonreimbursable costs of the Norman project for minimum basic recreational facilities as determined by the Secretary.

SEC. 7. [**Soil survey requirements.**] Expenditures for the Norman Reservoir may be made without regard to the soil survey and land classification requirements of the Interior Department Appropriation Act, 1954 (43 U.S.C. 390a).

SEC. 8. [Appropriation authorized.] There is hereby authorized to be appropriated for construction of the works authorized by this Act not to exceed \$19,042,000, plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuation in construction costs as indicated by engineering cost indices applicable to the type of construction involved herein: *Provided*, That such basic amount shall not exceed \$12,920,000 in the event the aqueduct system is not constructed by the Federal Government. There are also authorized to be appropriated such sums as may be required for the operation and maintenance of said works.

* * *

PACIFIC NORTHWEST-SOUTHWEST INTERTIE

ARIZONA-CALIFORNIA-NEVADA

The Secretary of the Interior approved the report of the Departmental negotiating team for the Pacific Northwest-Pacific Southwest Intertie Plan on June 1, 1964, and transmitted it to Congress on June 24, 1964, with a supplemental report on July 27, 1964. The project was authorized by Section 8 of the Act of Congress approved on August 31, 1964 (78 Stat. 758).

The Bureau of Reclamation section was initiated as a feature of the Central Valley project with funds appropriated in the Public Works Appropriation Act of December 31, 1963 (77 Stat. 848), subject to committee restriction as to the enactment of authorizing legislation before construction.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., June 1, 1964.

Memorandum to: Secretary of the Interior.

From: Assistant Secretary, Water and Power Development.

Subject: Report of departmental negotiating team—Pacific Northwest-Pacific Southwest intertie plan.

I am forwarding the report of the negotiating team, evaluating the various non-Federal proposals for construction of a Pacific Northwest-Pacific Southwest intertie system and recommending construction of four extra-high-voltage transmission lines by a combination of public and private utilities and the Federal Government. I concur in the specific plan being recommended as the best for the national interest.

I wish to call your attention to the fact that the recommended plan differs from the yardstick criteria which I sent to the various interested entities and agencies on March 9, 1964. These differences result from the fact that during the course of the negotiations, the team found greater demand for transmission capacity than when the Federal yardstick criteria were established. Early in the negotiations, the negotiating team found that all of the interested entities preferred Sylmar as the southernmost terminal in California rather than Grapevine. For this reason, I concurred in making this change in the overall plan of service. The nego-

tiating team has recommended a change in the transmission system which represents an improvement over the Federal yardstick plan.

In my March 11 letter I said “* * * For your guidance, we attach hereto a summary of criteria that will be used in the evaluation of each proposal to build all or portions of the intertie. It is recognized that use of the intertie will vary over the years and that the requirements of the Government cannot be set forth in complete detail with exact figures. * * *”

As anticipated when writing my March 11 letter, it was not possible to satisfy completely all of the criteria. This has proven to be the case. However, I feel that the negotiating team has used sound judgment in exercising the discretion given them.

You will recall that the original Federal yardstick consisted of one 750,000-kilovolt direct current line between The Dalles Dam and Los Angeles and a single 500,000-kilovolt alternating current line from John Day to the Los Angeles area, with a 500,000-kilovolt alternating current line between the Los Angeles area and Hoover Dam, and two 345,000-kilovolt alternating current lines between Hoover Dam and Phoenix. The evolved plan requires the construction of four major lines—two alternating current lines between John Day Dam and the Los Angeles area, a direct current line between The Dalles and the Los Angeles area, a direct current line between The Dalles and Hoover Dams. The southern terminals of the two direct current lines would be interconnected with a direct current leg between Hoover and Los Angeles. The two 345,000-kilovolt alternating current lines between Hoover and Phoenix still would be required as originally contemplated.

I recommend that you indicate your approval of this report by your signature below.

KENNETH HOLUM.

Approved June 1, 1964:

STEWART L. UDALL,

Secretary of the Interior.

REPORT ON ELECTRIC INTERTIE

(Extract from the report of the negotiating team.)

SUMMARY SHEET 1

Federal yardstick proposal

Type of entity.—Two agencies—Bonneville Power Administration and the Bureau of Reclamation—of the Department of the Interior.

Lines it proposes to build.—Two main transmission lines and three related lines. The first main line would be a 750,000-volt direct current line from The Dallas, Oreg., via Nevada, to Grape-

vine, Calif., 50 miles north of Los Angeles. The second would be a 500,000-volt alternating current line from John Day Dam to Grapevine, via the Central Valley of California, with a tap at Tracy, near San Francisco, and another in northern California. Additionally, one 500,000-volt alternating current line from Grapevine to Hoover Dam, and two 345,000-volt alternating current lines from Hoover Dam to Phoenix.

Connecting lines it contemplates others will build.—Necessary capacity from Grapevine to Sylmar, near Los Angeles, about 50 miles.

Construction schedule.—First mainline by 1968, balance by 1969.

Estimated cost.—Approximately \$375 million, of which approximately \$100 million is for facilities in Oregon.

Proposed financing.—Federal appropriations.

Plan of operation.—The 750,000-volt direct current line would be operated as a direct link between the Northwest grid and the southern California transmission system to deliver up to 1,350,000 kilowatts in either direction. The 500,000-volt alternating current line would operate in parallel with the contemplated transmission grids in Oregon, northern and southern California, interconnect at appropriate load centers, and deliver up to 1 million kilowatts in either direction. The Los Angeles-Hoover 500,000-volt alternating current line would operate in parallel with the existing 287,000-volt alternating current line of the city of Los Angeles to deliver up to 1 million kilowatts in either direction. The two Hoover-Phoenix 345,000-volt alternating current lines would reinforce the existing transmission system between Hoover and Phoenix and deliver up to 800,000 kilowatts in either direction. These lines would serve to integrate three Federal power systems—Bonneville Power Administration, the Central Valley project, and the Colorado River system.

Contracts expected.—Long-term wheeling, sales and exchange contracts with public and private utilities in California, Nevada, Arizona, and the Northwest.

Price of transmission capacity.—Price of Federal “yardstick” capacity may be variously expressed. If all costs of transmission south of the Oregon border, including California, Arizona, and Nevada, are averaged the price would be \$5.85 per kilowatt per year. If costs and loads in California only are considered, \$4.06. If service between the Oregon-California border and Tracy were isolated, \$3.35. If service from the border to Los Angeles over the direct-current line were considered separately, \$3.14. From Los Angeles to Hoover Dam, \$2.01, and from Hoover to Phoenix, \$2.70. For transmission in Oregon, the Federal “yardstick” plan would average \$2 per kilowatt-year, which would be absorbed in the BPA selling price at the Oregon-California or Oregon-Nevada borders. Non-Federal users of the Federal intertie facilities in Oregon would be able to purchase capacity for the same price of \$2 per kilowatt-year, but would have to make arrangements for

transmission from their own systems to the northern terminals of the intertie facilities; BPA would offer such transmission on the basis of its standard wheeling formula. For off-peak transmission service over Federal intertie facilities in Oregon, involving secondary energy, an equitable formula fixing wheeling costs will be worked out in cooperation with utilities in the Northwest.

* * *

SECTION IV—RECOMMENDED PLAN OF SERVICE

* * *

We are therefore recommending a four-line Pacific Northwest-Pacific Southwest intertie program having a total capacity of about 4,400 megawatts. The investment in the first two lines will be approximately \$375 million, of which non-Federal entities invest about 66⅔ percent and Federal power marketing agencies about 33⅓%. The second two lines will cost about an additional \$322 million, of which non-Federal entities would invest more than 50 percent of the total cost, assuming the Federal Government builds The Dalles-Hoover 750-kilovolt direct current line, and more than 90 percent if all of that line were nonfederally constructed. It is a plan that will integrate, electrically, the largest Federal hydro-electric complex, the largest municipal system in the United States, and the largest, or one of the largest, steam-generating privately owned utility groups. Inevitably this electrical integration will produce great new efficiencies and economies. The four-line program provides great benefits, also, for the smaller public agencies in the Central Valley and Colorado Basin that cannot economically own generating facilities, and for the California water project.

We recommend that the four great intertie lines be timed for completion of construction as follows:

(1) A 750,000-volt direct-current line of 1,350,000-kilowatt capacity from The Dalles, Oreg., via Nevada to Sylmar substation near Los Angeles, and a 345,000-volt alternating-current line of about 400,000-kilowatt capacity from Hoover Dam to Phoenix, Ariz., to be completed in 1968. The Oregon portion of the direct-current line would be built by the Bonneville Power Administration and the Nevada-California portion by the city of Los Angeles. The Hoover-Phoenix 345-kilovolt line would be built by the Bureau of Reclamation, which would also "rebus" Hoover Dam to make possible the interconnection of the Hoover-Phoenix line with existing circuits between Los Angeles and Hoover Dam.

(2) A 500,000-volt alternating-current line of about 1-million-kilowatt capacity from John Day Dam on the Columbia River via the Central Valley to Vincent substation near Los Angeles, to be completed in 1967. The Oregon portion would be built by the Bonneville Power Administration, a 50-mile section from the Oregon border to Round Mountain, Calif., by the Pacific Power & Light Co., and the balance of the line in California by the Califor-

nia Power Pool, consisting of the Pacific Gas & Electric Co., Southern California Edison Co., and the San Diego Gas & Electric Co.

(3) A 750,000-volt direct-current line of 1,350,000-kilowatt capacity from The Dalles, Oreg., through Nevada to Hoover Dam, connected from Hoover to Sylmar substation by a 750,000-volt direct-current line and from Hoover to Phoenix by a second 345,000-volt, alternating-current line for completion by 1971. We are recommending that the city of Los Angeles and the Southern California Edison Co. be asked for proposals to tie this Hoover direct-current terminal with the Los Angeles-Sylmar direct-current terminal; and that the proposal of the Arizona Public Service Co. to build the second 345-kilovolt, alternating-current line from Hoover Dam to Phoenix be accepted, also for completion in 1971. To assure adequate loading of the proposed Federal direct-current line from The Dalles to Hoover Dam and financial feasibility of the line, we would propose to negotiate long-term wheeling contracts with prospective users of the line by the end of the present calendar year. If the Congress desires that the Department of the Interior call for non-Federal proposals to build this line, there would be ample time to do so, and we can see no objection to such a procedure.

(4) A 500,000-volt, alternating-current line of 1-million-kilowatt capacity from John Day Dam to Table Mountain in the Central Valley, where it would connect with a 500,000-volt, alternating-current line to be constructed in any event from Table Mountain to Los Angeles by the California Power Pool. The portion from Table Mountain north probably would be scheduled for completion in 1968. The portion from Table Mountain to the Oregon border would be built by the Pacific Gas & Electric Co., from the Oregon border to Round Butte Dam, Oreg., by the Portland General Electric Co., and from Round Butte to John Day by the Bonneville Power Administration.

While certain reservations have been expressed by the California Pool companies as to when the second 500-kilovolt alternating-current line north of Table Mountain would need to be started, we believe that in all probability it should be scheduled for 1968 completion. In any event, we emphasize that we do not regard the second 500-kilovolt alternating-current line as a substitute for the 750-kilovolt direct-current line from The Dalles Dam to Hoover Dam.

We do not believe that the acceptance of these proposals, and their incorporation in a total plan of service, can be said to violate Federal antitrust laws in any way. On the contrary, they provide for wide participation in intertie benefits by several regions and many publicly and privately owned utilities. But to eliminate any question of doubt on the subject, we recommend that the contracts needed to implement the proposals be reviewed with the Antitrust Division of the Department of Justice before their execution.

Construction of any intertie facilities is predicated upon the prior enactment of S. 1007 or similar legislation.

SECTION V—BENEFITS

The benefits to the Pacific Northwest, the Pacific Southwest, and the Nation that would result from the recommended plan of intertie construction are enormous. Exclusive of postamortization benefits to the Federal Government, they would exceed costs of the facilities by a ratio of at least 2.5 to 1.

Over a 50-year payout period the total benefits measurable in dollars are estimated as 2.6 billion, approximately two-thirds of which accrue to preference customers. There are important additional benefits, such as greater assurance of Federal power supply for preference customers, advancement of EHV technology, assurance that the United States can meet its commitments relative to the Columbia River Treaty with Canada, conservation of exhaustible resources, reductions in generating reserves, emergency assistance between large electric systems, smog control, and other benefits that are difficult to measure in dollars.

Geographically, the estimated \$2.6 billion in benefits is divided as follows: Pacific Northwest, \$1 billion; California, \$869 million, and Arizona-Nevada, \$724 million.

A great part of these benefits results from deferral of steam-plant investment made possible by sales and exchanges of peaking capacity and energy over the interties. We estimate that savings in deferred construction of steam-generating plants is approximately equal to the cost of the intertie facilities. What we are proposing, then, is to build transmission lines which will produce the same benefits as new generating plants plus additional benefits which could not be obtained by building the generating plants alone, and which result in a lower cost of producing power.

Other benefits result from savings in fuel costs in the Pacific Southwest during such periods as secondary power is available from the Northwest. Still other benefits result from savings in price of power available through the intertie facilities which preference customers otherwise would have to obtain from other higher price sources.

As noted, the \$2.6 billion estimate of gross benefits over a 50-year payout for the lines does not take into account postamortization benefits to the Federal Government on its share of the lines. This additional benefit we estimate to be about \$365 million (Pacific Southwest \$175 million, Pacific Northwest \$190 million) in the 25 years following payout of the line. Postamortization benefits result from continued use of the line after payout, for greatly reduced costs involving principally operation and maintenance and replacements. If it were policy to continue to make the same charges on the line after the first 50 years, the postamortization benefits would be available for assistance to irrigation or other water projects.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., June 24, 1964.

Hon. CARL HAYDEN and GEORGE MAHON,
*Chairmen, Appropriations Committees, Congress of the
United States, Washington, D.C.*

DEAR SENATOR HAYDEN and MR. MAHON: Transmitted herewith, as requested by your committee, is the Department of the Interior's report of negotiations with non-Federal entities for construction of extra-high-voltage intertie lines linking the Pacific Northwest and the Pacific Southwest.

The report proposes that four such lines be constructed by a combination of Federal, public, and private entities:

(1) A 750-kilovolt direct current line from The Dalles Dam, Oreg., via Nevada to Sylmar Substation, Los Angeles, plus a 345-kilovolt alternating current line from Hoover Dam to Phoenix, Ariz.

(2) A 500-kilovolt alternating-current line from John Day Dam, Oreg., via the Central Valley of California to Vincent Substation, Los Angeles.

(3) A 750-kilovolt direct-current line from The Dalles Dam, Oreg., to Hoover Dam, connected to Los Angeles by a 750-kilovolt direct-current line, and to Phoenix, Ariz., by a second 345-kilovolt alternating-current line.

(4) A 500-kilovolt alternating-current line from John Day Dam to Table Mountain in the Central Valley of California, and thence to Vincent Substation, Los Angeles.

The essential facts concerning the regional interties between the Pacific Northwest and the Pacific Southwest, as proposed by the Department of the Interior, are these:

The four heavy transmission lines constructed would link all major electric systems—public, private, and Federal—in both regions;

Of about \$375 million investment in the first two lines, one-third would be Federal and two-thirds non-Federal;

These lines would interconnect the largest Federal hydro system in the country (Bonneville Power Administration), the largest municipally owned electric system (Los Angeles), one of the largest privately owned utility groups (the California Power Pool, comprised of Pacific Gas & Electric Co., Southern California Edison Co., and San Diego Gas & Electric Co.), and two major Bureau of Reclamation systems (the Colorado River project and the Central Valley project).

In addition the lines would provide great benefits to the smaller public agencies and cooperatives in the Central Valley of California and the Colorado Basin that cannot build their own generating plants economically in this era when the most efficient steam generating plants have capacities of 500,000 to 1 million kilowatts.

When fully implemented, the intertie plan would constitute the finest example of interconnected electric systems in the world—and put the United States in a position of world leadership in electric transmission technology. The proposed 750-kilovolt direct-current lines from the Columbia River to Los Angeles and to Hoover Dam would be the longest direct-current lines in the world;

As a vital side benefit, these lines would open California markets for Canadian entitlement power, and enable us to implement the United States-Canada Treaty for the joint development of the Columbia River;

The multimillion annual benefits of the interconnection would be shared by both public and private utilities—and the Pacific Northwest would benefit from the sale of nearly \$20 million “secondary” hydroelectricity which is being wasted each year in the Northwest.

I find that this plan will result in benefits to the national interest comparable to those to be derived from all-Federal construction. I make this finding and recommendation in compliance with the directive from Congress contained in the Conference Committee Report (H. Rept. 1027, Dec. 11, 1963) on H.R. 9140, 88th Congress, 1st session. H.R. 9140 appropriated funds to start Federal construction of the intertie facilities. The accompanying report required good faith negotiations with non-Federal entities which might desire to build the facilities and a report from me to Congress before Federal construction could commence. It also required that S. 1007, a bill to give electric consumers in the Pacific Northwest first call on Federal hydroelectric power produced in the region, or similar legislation, be passed first.

To implement this congressional directive, the Honorable Kenneth Holum, Assistant Secretary for Water and Power, developed a “Federal yardstick” proposal and made available to all non-Federal entities that had indicated an interest in submitting proposals the criteria that would be used in evaluating their proposals.

On April 17, 1964, we received 10 proposals to build all or portions of the Federal yardstick plan (3 of the 12 entities joined together as the California Power Pool to make a single offer). These proposals, with amendments thereto as negotiated, were evaluated by a three-member departmental team composed of Charles F. Luce, Bonneville Power Administrator, as chairman; Emil V. Lindseth, Associate Chief Engineer, Bureau of Reclamation; and Morgan D. Dubrow, Assistant and Chief Engineering Research Adviser to Assistant Secretary Holum. Mr. Holum recommended approval of the result of their negotiations and their evaluation.

The plan we are recommending to the Congress involves acceptance of proposals of the city of Los Angeles, Calif. Power Pool Cos., Pacific Power & Light Co., Portland General Electric Co., and Arizona Public Service Co. Lines and segments of lines

would also be constructed by the Bonneville Power Administration and the Bureau of Reclamation.

The recommended plan will produce benefits estimated to be \$2.6 billion over a 50-year payout period. Approximately two-thirds of the benefits would accrue to preference customers. About \$1 billion in benefits would flow to the Pacific Northwest, \$869 million to California, and \$724 million to Arizona, Nevada, and other Colorado Basin States.

With regard to the proposed 750-kilovolt direct current line from The Dalles Dam to Hoover Dam, it is our intention that wheeling agreements with non-Federal utilities be negotiated during the present calendar year to assure the financial feasibility of this line.

Our recommendations as to the construction of the first two lines across Oregon also deserve special comment. These lines would be constructed by the Bonneville Power Administration, which would require 75 percent or more of their capacity. Construction by BPA would be much less costly than under any other firm non-Federal proposals we received. For example, under present standards, BPA's own costs on the Oregon portion of a 750-kilovolt direct current line, having capacity of 1,350,000 kilowatts, would be approximately \$2 per kilowatt per year. A Northwest Intertie, Inc., proposal would cost about \$2.72 per kilowatt per year, and if International Utilities Co. built this line, it would cost BPA about \$2.91 per kilowatt per year. Thus over a 50-year payout period, these two proposals would cost the Bonneville Power Administration and other users of the lines from \$48 to \$60 million more than if BPA constructed these lines as part of its main grid. All, or a large percentage, of this additional cost would come from Federal funds, since the non-Federal proposals are conditioned upon long-term leases from BPA sufficient to pay the full cost of the line plus, in the case of International Utilities Co., a profit on its equity investment. A comparison of Federal and non-Federal transmission charges on the first 500-kilovolt alternating current line across Oregon similarly favors BPA construction by a wide margin.

By contrast, the proposals of the city of Los Angeles and the California Power Pool Cos., and the other non-Federal proposals we have recommended be accepted, result in transmission charges as low or lower than would result with Federal construction.

One other condition remains to be met before construction of the Federal portion of the recommended intertie plan can begin. That is for the House and Senate to resolve their differences over the Westland amendment to S. 1007. We strongly believe that the intertie plan herein recommended provides a basis for resolving these differences by a substitute amendment. We look forward to early start of construction on a joint Federal-public-private intertie program that is engineeringly sound, economically advantageous and compatible with the pattern of diverse ownerships of electrical facilities in this Nation.

Under separate cover we have sent, or are sending, you the full text of the criteria and of each approval.¹

Sincerely yours,

STEWART L. UDALL,
Secretary of the Interior.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., July 27, 1964.

Hon. CARL HAYDEN and GEORGE MAHON,
*Chairmen, Appropriations Committees,
Congress of the United States, Washington, D.C.*

DEAR SENATOR HAYDEN and MR. MAHON: As a result of conferences between Senators and Congressmen from Western States interested in the Pacific Northwest-Pacific Southwest intertie, we have been asked two questions:

1. Could our report of June 24, 1964, to the House and Senate Appropriations Committees, as amended July 21, 1964,¹ be further amended to include an all-Federal tie between the Federal Columbia River power system and the Federal Central Valley project power system?

2. If so, what plan of service would accomplish this object most economically?

The answer to the first question is "Yes," and this letter may be regarded as such a further amendment. Our report to the Appropriations Committees dated June 24, 1964, is based upon our understanding of the criteria that Congress asked us to apply in negotiations with non-Federal entities for construction of the intertie lines, see Conference Committee report accompanying H.R. 9140, House Report No. 1027, December 11, 1963. If it is now determined, as a matter of policy, that the intertie program include an all-Federal tie between the Columbia and the Central Valley, our report can be amended accordingly.

The answer to the second question is that an all-Federal tie between the Columbia and Central Valley systems can be accomplished most economically if the Bureau of Reclamation constructs a 500-kilovolt line from the California-Oregon boundary into Round Mountain station about 100 miles south of the State boundary; and from Round Mountain a 230-kilovolt line to Cottonwood Station, where it would connect, directly and indirectly, with five existing Federal 230-kilovolt lines now carrying Shasta and Trinity power southward to Tracy. Such a line would be an extension into northern California of the Bonneville 500-kilovolt line proposed for construction from John Day Dam to the California-Oregon boundary. The approximate cost to the Bureau of Reclamation of such lines, including substation additions, is \$20,300,000. To start construction of such lines in fiscal year

¹ Excluded from this publication.

1965, the Bureau would require an additional appropriation of \$500,000.

The modification of our intertie report to include construction of a Federal 500-kilovolt line from the California-Oregon line to Round Mountain, and a 230-kilovolt extension into Cottonwood, requires negotiation of certain additional agreements with other utilities whose facilities would be affected, for example:

1. Pacific Gas & Electric's agreement would be needed to interconnect the Bureau's 500- and 230-kilovolt lines at Pacific Gas & Electric's Round Mountain Station, and the Bureau's 230-kilovolt line at its Cottonwood Station.

2. A long-term agreement with Pacific Gas & Electric whereby the Bureau's 500-kilovolt and 230-kilovolt lines would be operated in parallel with the company's 500-kilovolt lines and system and capacities on the Bureau and company lines between the Oregon boundary and Tracy would be pooled. The capacity of the 500-kilovolt transmission line to be constructed by the Bureau from the Oregon border to Round Mountain shall be made available, first, for the Bureau's own uses up to 400 megawatts and the balance of the capacity in said line shall be made available to carry out the proposal of the companies including the fulfillment of obligations of the companies thereunder.

3. Agreement between the Bureau and the California companies for equitably sharing the wheeling revenues payable by the State and SMUD, and for reducing the companies' wheeling charges to the Bureau for service to Tracy. It may be necessary to adjust the charge to the State and SMUD, depending upon the result of further negotiations.

4. Agreement by the Pacific Power & Light Co. and the Portland General Electric Co. regarding their participation in the intertie plan.

5. Agreement by the California companies not to withdraw the other features of their proposal, including support for The Dalles-Los Angeles 750-kilovolt direct current line, and service to SMUD and the State of California.

In connection with our recommendation to Congress that either the Los Angeles Department of Water and Power or the Southern California Edison Co. construct the direct current tie between the Hoover and Sylmar direct current terminals, further negotiations will also be necessary.

We cannot say at this time whether all of these agreements could be obtained on satisfactory terms if the intertie plan were thus amended. If funds are appropriated for such a line, we will use our best efforts to obtain the agreements.

Sincerely yours,

STEWART L. UDALL,
Secretary of the Interior.

NOTE. The cost estimate of August 27, 1964, incorporating this \$20,300,000 Columbia River—Central Valley tie totaled \$130,630,000 excluding interest during construction.

AUTHORIZING ACT

[Extract from] An act to guarantee electric consumers in the Pacific Northwest first call on electric energy generated at Federal hydroelectric plants in that region and to guarantee electric consumers in other regions reciprocal priority, and for other purposes. (Act of August 31, 1964, 78 Stat. 758, Public Law 88-552.)

SEC. 8. No electric transmission lines or related facilities shall be constructed by any Federal agency outside the Pacific Northwest for the purpose of transmitting electric energy between the Pacific Northwest and Pacific Southwest, nor shall any arrangement for transmission capacity be executed by any Federal agency for the purpose of financing such lines and related facilities to be constructed by non-Federal entities, except those lines and facilities recommended for Federal construction in the Report of the Secretary of the Interior submitted to Congress on June 24, 1964, as supplemented on July 27, 1964, or as hereafter specifically authorized by Congress: *Provided*, That, except with respect to electric transmission lines and related facilities for the purpose of transmitting electric energy between the two regions above mentioned, nothing herein shall be construed as expanding or diminishing in any way the present authority of the Secretary of the Interior to construct transmission lines to market power and energy.

PALISADES PROJECT

IDAHO-WYOMING

ADDITION OF CERTAIN PALISADES PROJECT LANDS TO CARIBOU AND TARGHEE NATIONAL FORESTS

[Extracts from] An act to add certain lands located in Idaho and Wyoming to the Caribou and Targhee National Forests. (Act of August 14, 1958, 72 Stat. 607, Public Law 85-651.)

SEC. 1. That the exterior boundaries of the Targhee National Forest, located in Idaho and Wyoming, are hereby extended to include the following described lands: * * *

SEC. 2. [**Targhee National Forest.**] All lands of the United States located within the exterior boundaries of the Targhee National Forest and all lands which have been, or are hereafter acquired by the United States in connection with the Palisades Reservoir reclamation project (other than the lands referred to in section 3) are hereby incorporated into and made parts of the Targhee National Forest: *Provided*, That any acquired lands hereby incorporated into the national forest shall be subject to the laws and regulations applicable to national forest lands acquired under the Act of March 1, 1911 (36 Stat. 961), as amended.

SEC. 3. [**Caribou National Forest, Idaho.**] All lands of the United States within the exterior boundaries of the Caribou National Forest, Idaho, which have been, or are hereafter, acquired by the United States in connection with the Palisades Reservoir reclamation project are hereby incorporated into and made parts of the Caribou National Forest and shall be subject to the laws and regulations applicable to national forest lands acquired under the Act of March 1, 1911 (36 Stat. 961), as amended.

SEC. 4. [**Applicability to laws and regulations.**] (a) It is hereby declared that the sole purpose of this Act is to subject the lands referred to in the foregoing sections of this Act to all laws and regulations applicable to national forests, and nothing in this Act shall be construed to authorize the United States to acquire any additional lands or any interest therein, nor to diminish or in anywise affect any valid rights in or to, or in connection with, any such lands which may be in existence on the date of enactment of the Act.

(b) (1) [**Palisades Reservoir reclamation project.**] The Secretary of Agriculture shall make available, from the lands referred to in the foregoing sections of this Act, to the Bureau of Reclamation of the Department of the Interior such lands as the Secre-

tary of the Interior finds are needed in connection with the Palisades Reservoir reclamation project.

(2) [**Agreement.**] The Secretary of the Interior is authorized to enter into such agreements with the Secretary of Agriculture with respect to the relative responsibilities of the aforesaid Secretaries for the administration of, as well as accountings for and use of revenues arising from, lands made available to the Bureau of Reclamation of the Department of the Interior pursuant to paragraph (1) as the Secretary of the Interior finds to be proper in carrying out the purpose of this Act.

* * *

NOTE.—Section 4 (a) amended by Public Law 86-165, August 18, 1959 (73 Stat. 365).

PALMETTO BEND PROJECT

TEXAS

The feasibility report on Palmetto Bend project in Texas was transmitted by the Secretary of the Interior to the Congress on August 24, 1965 (House Document No. 279, 89th Cong.). Construction of the project was authorized by Act of Congress on October 12, 1968 (82 Stat. 999).

DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., June 10, 1964.

The SECRETARY OF THE INTERIOR.

SIR: This is my proposed report on the Palmetto Bend project, Texas. It is based on and includes the attached ¹ feasibility report of the regional director dated April 1963, as revised October 1963 and March 1964, and as hereby modified by the attached ¹ reevaluation statement dated March 1964. It also includes the appended ¹ reports of the Bureau of Sport Fisheries and Wildlife, National Park Service, Bureau of Mines, and Public Health Service. The attached reevaluation statement has been prepared to conform the plan in the regional director's report with the administration's recent policies in the treatment of fish and wildlife and recreation in Federal multiple-purpose water resources projects as set forth in H.R. 9032, 88th Congress.

The proposed Palmetto Bend project is a multipurpose water resource development on the Lavaca and Navidad Rivers in Jackson County, Tex. Construction of the project would provide municipal and industrial water supplies to support economic growth and industrial development, recreation opportunities, and fish and wildlife benefits. The use of project facilities for irrigation development was not considered, as maximum conservation capacity of the proposed reservoir as governed by the physical potential of the site would not provide adequate supplies to meet expected ultimate municipal and industrial requirements. This limitation also precludes inclusion of capacity in the reservoir for flood control. Further, use of the full capacity of the reservoir for water supply precludes maintenance of a permanent pool for feasible development of hydroelectric power.

* * *

¹ Excluded from this publication.

The principal feature of the Palmetto Bend project is the Palmetto Bend Reservoir which would be constructed on the Navidad and Lavaca Rivers in two units or stages. In the first stage, the Navidad River arm of the reservoir would be developed through the construction of a dam across the river, creating a storage reservoir with an initial total capacity of 192,000 acre-feet. In the second stage, the Lavaca River arm of the reservoir would be constructed at a later date to provide an additional 93,000 acre-feet of storage capacity. The total conservation capacity of both units of the reservoir would be about 230,000 acre-feet. The estimated yield from both units of this reservoir would average 105,000 acre-feet per year which, it is estimated, would meet all demand requirements for water supply in the district through the 27th year of project operation. Additional sources of water supply would need to be developed subsequently to provide for additional anticipated growth after that time.

* * *

The total estimated Federal construction cost of the Palmetto Bend project is \$48,150,000 based on construction costs as of January 1963. The first and second stage construction costs are \$29,565,000 and \$18,585,000, respectively. Average annual operation and maintenance costs for Palmetto Bend Dam and Reservoir are estimated at \$21,000 for stage 1, with an additional \$9,000 for stage 2. The Jackson County Flood Control District would assume responsibility for operation and maintenance of the reservoir upon completion of construction of each stage of development. Operation and maintenance of the specific recreation facilities and the seining areas would be assumed by appropriate State agencies.

Of the total estimated construction cost of the first stage (\$29,565,000), \$19,829,000 is tentatively allocated to municipal and industrial water supply, \$7,236,000 to recreation, and \$2,500,000 to fish and wildlife. The construction cost allocated to municipal and industrial water supply plus \$1,009,200 interest during construction, or \$20,838,200, would be the reimbursable investment cost and would be repaid with interest at a rate to be certified by the Secretary of the Treasury pursuant to the pertinent provision of the Water Supply Act of 1958. In accordance with the administration's recent policy which places specific limits on the reimbursability of the costs of joint facilities for recreation and fish and wildlife, \$3,869,000 of the construction cost allocated to recreation and fish and wildlife, plus \$197,000 interest during construction, would also be reimbursable with interest. The remaining construction cost (\$5,867,000), allocated to recreation and fish and wildlife, would be nonreimbursable.

Under the provisions of the Water Supply Act of 1958, 30 percent of the total investment costs of the storage reservoir (\$30,454,000), or \$9,136,200, would be allocated to future demands and interest charges thereon waived for the first 10 years. The remaining portion of the investment cost (\$20,838,200) reim-

bursable by the municipal and industrial water users, or \$11,702,000, is allocated to initial demands.

* * *

The project is engineeringly feasible and economically justified. Using a 3 percent interest rate for both interest during construction and amortization, the total annual costs of the completed project over a 100-year period of analysis are estimated to be \$1,636,500, while total annual benefits for the same period are estimated at \$3,163,300, resulting in a ratio of benefits to costs of 1.93 to 1.

I concur in the recommendations of the regional director as set forth on pages 4 and 5 of his report, except for recommendation (c)(1) which is hereby modified to read:

"The Federal costs specifically incurred for land or basic facilities for recreation or fish and wildlife enhancement, and found by the Secretary to be so allocable, be nonreimbursable and nonreturnable; the portion of joint costs allocated to recreation and to fish and wildlife enhancement be nonreimbursable and nonreturnable up to a dollar limit in accordance with the administration's policy as set forth in H.R. 9032, 88th Congress; the balance of joint costs and the costs of any required measures for fish and wildlife mitigation be repaid as a project cost."

I recommend that you approve and adopt this report as your proposed report on a plan of development for the Palmetto Bend project, Texas, and that you authorize me, on your behalf, to transmit copies of the report to the State of Texas, to the Secretary of the Army, and to the interested Federal agencies for review as required by the Flood Control Act of 1944 (58 Stat. 887), the Fish and Wildlife Coordination Act (48 Stat. 401, as amended; 16 U.S.C. 661, et seq.) and procedures approved by the President on May 15, 1962 (S. Doc. 97, 87th Cong.).

Respectfully,

WILBUR P. KANE,
Acting Commissioner.

Approved and adopted July 21, 1964.

STEWART L. UDALL,
Secretary of the Interior.

DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., May 11, 1965.

The SECRETARY OF THE INTERIOR.

SIR: This is my report on the proposed Palmetto Bend project, Texas. It is based on and includes our proposed report of June 10, 1964, which you approved and adopted as your proposed report on July 21, 1964.

Copies of the proposed report were transmitted on July 23, 1964, to the State of Texas, to the Secretary of the Army, and to the interested Federal agencies for review as required by law and Presidential instructions. Copies of all the review comments received are attached ¹ to and made a part of this report.

By letter of January 6, 1965, the Governor of Texas concurs in and strongly endorses the findings and recommendations of the Texas Water Commission as set forth in an enclosed copy of its order of December 18, 1964. The commission finds that the Palmetto Bend project is feasible and recommends that the Congress authorize the first stage of the project provided the authorizing legislation provide for automatic deauthorization within 5 years if local interests fail to approve a repayment contract. The commission also recommends that ownership of the State of Texas of the waters involved be fully recognized by all interested parties in that lawful rights to the use of such waters, vested pursuant to State law, be respected, protected, and preserved.

We have no difficulty with either recommendation except the suggestion that ownership by the State of Texas of the waters involved be recognized. It has never been understood that either the Federal Government, a State, or even a private person, can "own" the waters of a flowing stream. Both governments, however, have various powers of control over water derived from their respective sovereign capacities. This can be recognized without hesitation. Further, the Commission can be assured that rights derived under State law, as well as Federal rights, will be observed to the full extent required by Reclamation and other relevant law. Even though this recommendation of the Commission cannot be accepted in full as worded, we believe that present law substantially meets the purposes that the Commission was attempting to achieve.

The Chief of Engineers, Department of the Army, advises that the proposed report for the project does not conflict with existing or authorized projects or plans of the Corps of Engineers. As suggested by the Chief of Engineers, we will give additional consideration in postauthorization studies to the relationship of the project to the potential flood control and hurricane problems and solutions in the general area.

The Assistant Secretary of Agriculture advises that the proposed project would not conflict with water and related land resources projects which are of concern to the Department of Agriculture. His letter also includes two comments of a technical nature concerning the project's economic analysis and allowances for water for agricultural developments.

The first of these comments suggests that the impact of withdrawing large acreages of agricultural land in the reservoir area from production should be included in the project's economic analysis. Such allowances for losses in agricultural production from inundation of lands in the reservoir area are included as

¹ Excluded from this publication.

induced costs in our economic analyses and also included in the cost allocation.

The second comment suggests that there apparently has been no allowance made for irrigation water needs other than that covered in existing appropriations, that it would be desirable that the report state water allowances which have been made for agricultural development, and that some allowances be taken into account for future development. The water requirement data used for our studies are those that were adopted for use by the former U.S. Study Commission—Texas in its studies which considered requirements for all purposes for existing and future development. The regional director's report states that the inflow to the reservoir is the residual flow after allowance for estimated depletions for anticipated future development of farm ponds, minor reservoirs, floodwater retarding structures, and land treatment measures. It also explains how the balance of irrigation requirements over and above the small amount presently used for rice irrigation from the Lavaca and Navidad Rivers is supplied from ground water and from the Colorado River.

The comments received from the other Federal agencies generally are favorable to or endorse the proposed development. Suggested improvements or modifications of certain technical or related details of the proposed plan of development will be considered and can be accommodated as necessary during the advance planning of the project following authorization of construction.

Revision of our proposed report in respect to the proposed plan of development for the project is not necessary as a result of the review. However, in consonance with the recommendation of the Governor of Texas, except as noted, I recommend that congressional authorization for construction of only the first stage of development be sought at this time.

Our proposed report of June 10, 1964, included a March, 1964 reevaluation of the Palmetto Bend project that was based on the administration's cost-sharing policies set forth in H.R. 9032 as introduced in the 88th Congress. The administration's current cost-sharing policies are set forth in S. 1229 and H.R. 5269 as introduced in the 89th Congress. The cost-sharing policy in those measures provides that not more than one-half the separable costs and all the joint costs of a water resource project allocated to recreation and fish and wildlife enhancement shall be borne by the United States and be nonreimbursable, and that the non-Federal share of the separable costs allocated to recreation and fish and wildlife enhancement shall be borne by non-Federal interests. The proposed policy also provides that, under appropriate conditions, all the costs of operation, maintenance, and replacement of enhancement facilities for those purposes shall be borne by non-Federal public bodies.

We expect some non-Federal body will indicate its intent in writing, as provided in the above-mentioned measures, to administer the project land and water areas for recreation purposes and to bear the reimbursable portion of the allocated investment

cost and all of the allocated annual operation, maintenance, and replacement costs of separable facilities for that function. Execution of such an agreement would be a prerequisite to commencement of construction of the recreation facilities.

For the stage 1 development of the Palmetto Bend project, specific facilities would be provided for only the recreation function at an investment cost of \$579,000 as shown in the aforesaid March, 1964 reevaluation. There are no separable costs allocable to fish and wildlife enhancement. It is proposed to clear land in the reservoir area to ground level for the project without the fish and wildlife purpose, and it would also be necessary to control any infestation of water weeds that might occur. Thus, there would be no separable costs involved in providing the seining areas and facilitating water-hyacinth control as recommended by the Fish and Wildlife Service. As also shown in the March, 1964 reevaluation, the annual operation, maintenance, and replacement costs for the specific recreation facilities are estimated at \$67,500 for stage 1 development, which costs would be reimbursable under current policy.

The reimbursable portion of the separable costs allocated to recreation and repayable with interest would be one-half of the investment cost of \$579,000, or \$289,500, instead of \$4,066,000 for the reimbursable joint investment costs allocated to recreation and fish and wildlife enhancement as shown in our proposed report. That report therefore is hereby modified to reflect this change in cost-sharing policy.¹ * * *

I recommend that you approve and adopt this report as your report on the Palmetto Bend project, Texas, and that you transmit it, together with the attached comments, to the President and subsequently to the Congress in accordance with the Reclamation Project Act of 1939.

Respectfully,

FLOYD E. DOMINY,
Commissioner.

Approved and adopted May 20, 1965.

STEWART L. UDALL,
Secretary of the Interior.

[Extract from Secretary of Interior's letter dated August 11, 1967, to Chairman, Committee on Interior and Insular Affairs.]

"The total estimated construction cost of the project, based on January 1963 prices, is \$48,150,000—\$29,565,000 for the first stage and \$18,585,000 for the second stage. At January 1967 price levels, stage 1 would cost \$34,077,000. By engineering standards the project is feasible; by economic standards its construction is justified. The ratio of total annual benefits to total annual costs for stage 1 has been evaluated at 1.81 to 1.

The planning report (H. Doc. 279, 89th Cong.) submitted to the Congress on August 24, 1965, recommended immediate authorization of the first stage of this project only. This recommendation adopted the views at that time of the Governor of Texas which were appended to our planning report. For this reason detailed economic and financial analyses were made only for the first stage. The currently estimated total construction cost of the stage 1 development is allocated as follows:

Purpose	Cost allocation
Municipal and industrial water supply	\$23,104,000
Recreation	8,049,000
Fish and wildlife	2,924,000
Total	\$34,077,000 ¹

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., May 20, 1965.

The PRESIDENT,
The White House,
Washington, D.C.
(Through: Bureau of the Budget).

DEAR MR. PRESIDENT: My report on a plan of development for the proposed Palmetto Bend project, Texas, is transmitted herewith as provided by section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187) and section III-E-3 of the procedures approved by the President on May 15, 1962 (S. Doc. 97, 87th Congress).

The proposed Palmetto Bend project is a multiple-purpose water resource development on the Lavaca and Navidad Rivers in Jackson County, Tex. The plan of development provides for construction of Palmetto Bend Dam, in two stages, across the two rivers a short distance above their confluence. The primary purpose of the project will be to provide needed municipal and industrial water to the area. Fish and wildlife and recreation purposes also would be served. It is contemplated that the Jackson County Flood Control District, established under Texas law in 1941, would assume responsibility for operation and maintenance of the project and would represent local interests in contracting with the United States to repay reimbursable project costs.

The report and its accompanying documents find that the project has engineering feasibility and is economically justified. The Jackson County Flood Control District has expressed willingness to negotiate for appropriate repayment contracts.

My proposed report was transmitted to the State of Texas and the interested Federal agencies for review as required by law and Presidential instructions. No objections to the proposed project were received. Copies of letters of comments received are attached to the report. Since that review, the plan of development has been modified to reflect the administration's current policies with respect to cost sharing for recreation and fish and wildlife enhancement.

I recommend that the Palmetto Bend project, Texas, be approved for development as set forth in my report and, as recommended by the Governor of Texas, that the first stage of the project be authorized for initial development. I shall appreciate your advice concerning the relationship of this proposal to your program before the report is transmitted to the Congress for its consideration and appropriate action as provided in the Reclamation Project Act of 1939.

Sincerely yours,

STEWART L. UDALL,
Secretary of the Interior.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., July 22, 1965.

Hon. STEWART L. UDALL,
Secretary of the Interior, Washington, D.C.

DEAR MR. SECRETARY: This is in reply to your letter of May 20, 1965, transmitting your proposed report on the Palmetto Bend project, Texas, and requesting advice as to the relationship of the proposal to the program of the President.

Your proposed plan provides for a multipurpose water resource development on the Lavaca and Navidad Rivers and the Post Oak Branch to provide for municipal and industrial water supply, fish and wildlife enhancement, and recreation. The total estimated cost is \$48,150,000, and the benefits are estimated to exceed costs in the ratio of 1.93 to 1. Authorization is requested only for stage 1 at the present, with a total cost of \$29,565,000.

You are advised that there would be no objection to the submission of the report to the Congress. However, no commitment can be made at this time as to when any estimate of appropriation would be submitted for construction of the Palmetto Bend project, if authorized by the Congress, since this would be governed by the President's budgetary objectives as determined by the then prevailing fiscal situation.

Sincerely,

ELMER B. STAATS,
Deputy Director.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., August 24, 1965.

Hon. JOHN W. MCCORMACK,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: As provided by section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187), there is transmitted herewith my report on the Palmetto Bend project, Texas.

This proposed project is a multiple-purpose water resource development on the Lavaca and Navidad Rivers in Jackson County, Tex. The plan of development provides for construction of the Palmetto Bend Dam and Reservoir in two stages. The first stage, which is recommended for immediate authorization, involves the construction of a dam across the Navidad River creating a reservoir with an initial total storage capacity of 192,000 acre-feet. The second stage, a dam forming the Lavaca arm of the reservoir, would be constructed at a later date to provide an additional 93,000 acre-feet of storage capacity. The project would provide

municipal and industrial water supplies to meet current needs and to support and encourage expected future urban and industrial growth in the area. The plan of development also provides substantial recreation and fish and wildlife enhancement benefits. It has engineering feasibility and economic justification.

The proposed report was reviewed by the State of Texas, the Secretary of the Army, and interested Federal agencies as required by law and Presidential instructions. Copies of the comments received as a result of that review are attached to the report.

The report and copies of the comments received were submitted to the President on May 20, 1965. A copy of a letter dated July 22, 1965, from the Deputy Director of the Bureau of the Budget advising that there would be no objection to submitting the report to the Congress is enclosed.

I recommend that the Palmetto Bend project, Texas, be authorized for construction as set forth in my report.

Sincerely yours,

STEWART L. UDALL,
Secretary of the Interior.

AUTHORIZING ACT

An act to authorize the Secretary of the Interior to construct, operate, and maintain stage 1 and to acquire lands for stage 2 of the Palmetto Bend reclamation project, Texas, and for other purposes. (Act of October 12, 1968, 82 Stat. 999, Public Law 90-562.)

SEC. 1. [**Construction authorization.**] That the Secretary of the Interior is authorized to construct, operate, and maintain the first stage and to acquire lands for the second stage of the Palmetto Bend Federal reclamation project, Texas, in accordance with the Federal reclamation laws (Act of June 17, 1902 (32 Stat. 388), and Acts amendatory thereof or supplementary thereto) for the purposes of storing, regulating, and furnishing water for municipal and industrial use, conserving and developing fish and wildlife resources, and enhancing outdoor recreation opportunities. The stage 1 development of the project shall consist of the following principal works: Palmetto Bend Dam and Reservoir on the Navidad River near Edna, Texas, and recreation facilities.

SEC. 2. (a) [**Power privileges. Repayment costs.**] Costs of the project or any unit or stage thereof allocated to municipal and industrial water supply shall be repayable with interest, by the municipal and industrial water users over a period of not more than fifty years from the date that water is first delivered for that purpose, pursuant to contracts with municipal corporations, organizations, or other entities as defined in section 2(g) of the Reclamation Project Act of 1939 (53 Stat. 1187). Such contracts shall

be precedent to the commencement of construction of the project. Contracts may be entered into with a qualified entity or entities pursuant to the provisions of this Act without regard to the last sentence of subsection 9(c) of the Reclamation Project Act of 1939, supra.

(b) [**Authorization limitation.**] If contracts for the repayment of all of the costs allocated to municipal and industrial water supply shall not have been executed within five years of the date of enactment of this Act, the authorization herein granted to the Secretary shall thereupon terminate.

(c) [**Interest rate, determination.**] The interest rate used for computing interest during construction and interest on the unpaid balance of the costs of the project allocated to municipal and industrial water supply shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which construction is commenced, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations which are neither due nor callable for redemption for fifteen years from date of issue.

SEC. 3 (a) [**Project care, operation, etc. Transfer to contractor.**] The Secretary is authorized to transfer to a qualified contracting entity or entities the care, operation, and maintenance of the project works, and, if such transfer is made, to credit annually against the contractor's repayment obligation that portion of the year's joint operation and maintenance costs which, if the United States had continued to operate the project, would have been allocated to fish and wildlife and recreation purposes. Prior to assuming care, operation, and maintenance of the project works the contracting entity or entities shall be obligated to operate them in accordance with criteria established by the Secretary of the Interior with respect to fish and wildlife and recreation.

(b) [**Permanent usage right.**] Upon complete payment of the obligation assumed, the contracting entity or entities, their designee or designees, shall have a permanent right to use that portion of project reservoir capacity which is or may be allocated to municipal and industrial water supply purposes by the Secretary of the Interior, so long as the space designated for those purposes may be physically available, taking into account such equitable reallocation of reservoir storage capacities among the purposes served by the project as may be necessary due to sedimentation, subject, if the project is then operated by the United States, to payment to the United States of a reasonable annual charge to cover operation and maintenance costs and a fair share of administrative costs applicable to the project.

(c) Expenditures for the Palmetto Bend project may be made without regard to the soil survey and land classification requirements of the Interior Department Appropriation Act of 1954 (67 Stat. 266).

SEC. 4. [**Fish and wildlife resources and recreation.**] The conservation and development of the fish and wildlife resources and the enhancement of recreation opportunities in connection with

the Palmetto Bend project shall be in accordance with the Federal Water Project Recreation Act (79 Stat. 213).

SEC. 5. [**First stage, appropriation authorized.**] There is authorized to be appropriated for construction of the first stage of the Palmetto Bend reclamation project the sum of \$34,100,000 (January 1967 prices), plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indexes applicable to the type of construction involved herein. There are also authorized to be appropriated such additional sums as may be required for the operation and maintenance of the first stage of the project.

SEC. 6. [**Second stage, land acquisition appropriation authorized.**] There is authorized to be appropriated for the acquisition of lands for the second stage of the Palmetto Bend reclamation project the sum of \$2,700,000. If, within twenty years after the initial operation of stage 1 of the project, Congress has not authorized construction of stage 2, the lands acquired pursuant to this section shall be utilized or disposed of in accordance with the provisions of section 3(b) (2) of the Federal Water Project Recreation Act (Act of July 9, 1965, 79 Stat. 214; 16 U.S.C. 4601-14(b) (2)).

PALO VERDE DIVERSION PROJECT

CALIFORNIA-ARIZONA

TEMPORARY WEIR ¹

[Extract from] An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1944, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1944, and for other purposes. (Act of April 1, 1944, 58 Stat. 150, 157, Public Law 78-279.)

* * *

Colorado River Front Work and Levee System: For an additional amount for the Colorado River front work and levee system, \$250,000, to be available for the construction, operation, and maintenance of a temporary weir in the Colorado River below the heading of the diversion canal for the Palo Verde Irrigation District, California: *Provided*, That the construction, operation, or maintenance of said weir shall not be deemed a recognition of any obligation or liability whatsoever on the part of the United States; and no part of said sum or other funds of the United States shall be expended for the construction, operation, or maintenance of said weir after six months from the date of the termination of the present war, as determined by proclamation of the President or concurrent resolution of the Congress.

¹This act, omitted from 1957 edition, authorized the weir referred to in Section 4 of the act of August 31, 1954, authorizing the Palo Verde Diversion project.

PARKER-DAVIS PROJECT

ARIZONA-CALIFORNIA-NEVADA

PARKER DAM DECISION

In *United States v. State of Arizona*, 295 U.S. 174, the United States through the Secretary of the Interior and Federal Emergency Administrator of Public Works filed a bill of complaint to restrain Arizona from interference with the construction of Parker Dam in the Colorado River. It was being undertaken as a P.W.A. project. The Supreme Court, on April 29, 1935, ruled that this dam had not been authorized by Congress as required by sec. 9 of the Act of Mar. 3, 1899; that Congress had not authorized examinations and surveys; and that the President had not approved the construction of the dam as required by Sec. 4 of the Act of June 25, 1910.

DAVIS DAM DIVISION ¹

UNITED STATES DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, April 14, 1941.

The DIRECTOR OF THE BUREAU OF THE BUDGET.

Subject: Bullshead Dam—Par. 6—Executive Order dated 6/26/40.

SIR: There are transmitted herewith for your consideration an original and one copy of the proposed report on the above subject. Please advise whether the proposed report is in accord with the program of the President.

Very truly yours,

E. K. BURLEW,
First Assistant Secretary and Budget Officer.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., April 26, 1941.

¹ These documents omitted from 1957 edition.

The Honorable, The SECRETARY OF THE INTERIOR.

MY DEAR MR. SECRETARY: I have the letter of First Assistant Secretary Burlew, of April 14, 1941, submitting for the consideration of this office under the provisions of Executive Order of June 26, 1940, the original and one copy of your proposed letter to the Speaker of the House of Representatives with accompanying report of the Bureau of Reclamation on the economic and engineering feasibility of the Bullshead Dam project, Arizona-Nevada, as required by Section 9 of the Reclamation Repayment Act of 1939.

The original of your proposed letter and accompanying report are returned herewith and you are advised there is no objection to the submission thereof to the Congress.

Respectfully,

JOHN B. BLANDFORD, JR.,
Assistant Director.

U.S. GOVERNMENT TO CONSTRUCT DAVIS DAM MEXICAN TREATY AND PROTOCOL

[Extract from] Treaty with Mexico relating to the utilization of the waters of the Colorado and Tijuana Rivers and of the Rio Grande [*** effective November 8, 1945]

ARTICLE 12

The two Governments agree to construct the following works:

* * *

(b) The United States, within a period of five years from the date of the entry into force of this Treaty, shall construct in its own territory and at its expense, and thereafter operate and maintain at its expense, the Davis storage dam and reservoir, a part of the capacity of which shall be used to make possible the regulation at the boundary of the waters to be delivered to Mexico in accordance with the provisions of Article 15 of this Treaty.

LAKE MOHAVE

An act to provide for the designation of the reservoir to be formed by the Davis Dam on the Colorado River as Lake Mohave. (Act of June 14, 1950, 64 Stat. 211, Public Law 81-538.)

That the reservoir to be formed by the impounding of the waters of the Colorado River by the Davis Dam now under construction shall be known and designated on the public records as Lake Mohave.

PECOS RIVER BASIN WATER SALVAGE PROJECT

NEW MEXICO-TEXAS

The Pecos River Basin Water Salvage Project was authorized by Joint Resolution of Congress on September 12, 1964 (78 Stat. 942).

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., May 20, 1963.

Hon. HENRY M. JACKSON,
*Chairman, Committee on Interior and Insular Affairs,
U.S. Senate, Washington, D.C.*

DEAR SENATOR JACKSON: Your committee has requested a report from this Department on Senate Joint Resolution 49, a joint resolution authorizing the Secretary of the Interior to carry out a continuing program to reduce nonbeneficial consumptive use of water in the Pecos River Basin, in New Mexico and Texas.

The Department recommends that the joint resolution be enacted with amendments.

This resolution, if enacted into law, would authorize the Secretary of the Interior to undertake a continuing program to reduce nonbeneficial consumptive use of water in the Pecos River Basin, directed principally at the reduction of such use of water by saltcedar and other deep-rooted plants. The program which would be authorized by the resolution is, in effect, an extension of that conducted pursuant to Public Law 85-333 (72 Stat. 17), which authorized construction of certain channels, levees, floodways, and salinity alleviation facilities to stabilize and improve the water supply of the Pecos River Basin.

The nonbeneficial consumption of water by phreatophytes is a well documented problem in the Pecos Basin and other river basins in the Southwestern United States. In addition to riparian phreatophytes such as saltcedar and willow, nonbeneficial shrubs such as mesquite, creosote bush, and juniper have invaded large segments of the watershed. The Department believes that substantial savings of water would result from a basinwide program of phreatophyte elimination and control. It is impossible, however, to measure in advance the savings that would be effected.

In view of the large expanse of the Pecos River Basin, the difficulties posed by intermingled land ownership, and the fact that substantial portions of the basin are administered by the Bureau of Land Management, it is appropriate that the authority and responsibility for coordination and direction of an interstate and basinwide program to eliminate undesirable vegetation be placed in a single Federal agency, most appropriately the Department of the Interior.

* * *

The Bureau of the Budget has advised that there is no objection to the presentation of this report, but that time limitations have prevented the usual advice with respect to the amendments proposed in this report relating to fish and wildlife features.

Sincerely yours,

FRANK P. BRIGGS,
Assistant Secretary of the Interior.

AUTHORIZING ACT

Joint resolution authorizing the Secretary of the Interior to carry out a continuing program to reduce nonbeneficial consumptive use of water in the Pecos River Basin in New Mexico and Texas. (Act of September 12, 1964, 78 Stat. 942, Public Law 88-594.)

SEC. 1. [Water supply.] That in order to prevent further decreases in the supply of water in the Pecos River Basin, and in order to increase and protect such water supply for municipal, industrial, irrigation, and recreational uses, and for the conservation of fish and wildlife, and to provide protection for the farmlands in such basin from the hazards of floods, the Secretary of the Interior (hereinafter referred to as the "Secretary") is authorized and directed to take such measures as he deems necessary and appropriate to carry out a continuing program to reduce the nonbeneficial consumption of water in the basin, including that by salt cedar and other undesirable phreatophytes. Such program shall be carried out in the Pecos River Basin from its headwaters in New Mexico to the town of Girvin, Texas: *Provided, however,* That no money shall be appropriated for and no work commenced on the clearing of the floodway authorized by the Act of February 20, 1958 (72 Stat. 17), unless provision shall have been made to replace any Carlsbad Irrigation District terminal storage which might be lost by the clearing of said floodway.

SEC. 2. [Conditions.] As a condition to undertaking the program authorized by the first section of this joint resolution, the Secretary shall require the States of New Mexico and Texas to give such assurances as he deems adequate that such States will acquire such lands, easements, rights-of-way, and other interests in lands as the Secretary considers necessary effectively to carry out such program.

SEC. 3. (a) **[Further conditions.]** As a further condition to undertaking the program authorized by this joint resolution, the Secretary may, with respect to those beneficiaries in New Mexico and Texas which the Secretary determines to be likely to benefit directly from the results of such program, require such commitments as he deems appropriate that such beneficiaries will repay the United States so much of the reimbursable costs incurred by it in carrying out such program as do not exceed the value of the benefits accruing to such beneficiaries from such program. The Secretary shall not require the repayment of such costs unless he determines that it is feasible (1) to identify the beneficiaries that are directly benefited by the program, and (2) to measure the extent to which each beneficiary is benefited by such program.

(b) **[Repayment.]** Repayment contracts entered into pursuant to the provisions of this section shall be subject to such terms and conditions as the Secretary may prescribe, except that the amount of the repayment installment and total obligation in the case of any beneficiary shall be fixed by the Secretary in accordance with the ability of such beneficiary to pay, taking into consideration all other financial obligations of such beneficiary.

(c) **[Nonreimbursable costs.]** Any costs of the program which the Secretary determines are properly allocable to flood control, fish and wildlife conservation and development, recreation, or restoration of streamflow shall be considered as nonreimbursable costs.

(d) **[Secretary's responsibilities.]** In conducting the program, the Secretary shall take such measures as may be necessary to insure that there will be no interference with regular streamflow, no contamination of water, and the least possible hazard to fish and wildlife resources.

SEC. 4. **[Pecos River compact governs.]** Nothing contained in this joint resolution shall be construed to abrogate, amend, modify, or be in conflict with any provisions of the Pecos River compact.

SEC. 5. **[Appropriation authorized.]** There is hereby authorized to be appropriated not more than \$2,500,000 for the initial eradication or suppression of salt cedar and other undesirable phreatophytes on lands within the area to which this joint resolution applies and, in addition thereto, such further sums as may be necessary to maintain continued control over this land to prevent its reinfestation.

RATHDRUM PRAIRIE PROJECT

IDAHO

AVONDALE, DALTON GARDENS, AND HAYDEN LAKE PIPE REHABILITATION

[Extract from] An act making appropriations for * * * certain agencies of the Department of the Interior, * * * for the fiscal year ending June 30, 1961, and for other purposes (Act of September 2, 1960, 74 Stat. 743, 746, Public Law 86-700).

Construction and Rehabilitation: * * * That not to exceed \$25,000 shall be available toward investigation and the emergency rehabilitation of the Dalton Gardens, Avondale, and Hayden Lake Unit, Rathdrum Prairie Irrigation Projects, Idaho, to be repaid in full under conditions satisfactory to the Secretary of the Interior.

PIPE REHABILITATION AUTHORIZING ACT

An act to authorize the Secretary of the Interior to replace lateral pipelines, line discharge pipelines, and to do other work he determines to be required for the Avondale, Dalton Gardens, and Hayden Lake Irrigation Districts in the State of Idaho. (Act of September 22, 1961, 75 Stat. 588, Public Law 87-289.)

SEC. 1. [Pipeline replacement authorization.] That the Secretary of the Interior is authorized to replace lateral pipelines, perform interior lining of discharge pipelines, and to do other work he determines to be required in replacement, modification, or improvement of the facilities heretofore constructed by the United States for the Avondale, Dalton Gardens, and Hayden Lake Irrigation Districts in the State of Idaho.

SEC. 2. [Construction costs, repayment.] Each irrigation district, starting with the year following the completion of the work for the district under the authority of this Act, shall repay the United States toward the cost thereof over a forty-year period annual installments which, when added to those payments required by existing repayment contracts between the United States and the district, will be equal to the amortization capacity of the lands of the district as that amortization capacity has been heretofore established by the Secretary. In the event works or capacity are provided hereunder at the request of the district in addition to those heretofore constructed by the United States and being replaced or improved under authority of this Act, such work may be undertaken by the Secretary at a cost not to exceed

\$125,000, and payment therefor shall be made concurrently with other annual payments as provided for herein.

SEC. 3. [**Repayment contract.**] Prior to initiating actual construction of any of the work authorized in section 1 of this Act, the district shall be required to enter into a contract with the United States satisfactory to the Secretary to repay the United States toward the cost thereof as provided in section 2 of this Act.

SEC. 4. [**Repayment from power revenues.**] The remaining costs of the work completed hereunder for each district shall be returned to the reclamation fund within the period provided for in section 2 of this Act from revenues derived by the Secretary of the Interior from the disposition of power marketed through the Bonneville Power Administration.

SEC. 5. [**Appropriation authorized.**] There are hereby authorized to be appropriated such sums, but not more than \$1,611,000, as are necessary to carry out the provisions of this Act.

HAYDEN LAKE UNIT ¹

AUTHORIZATION FOR EMERGENCY REHABILITATION

[Extract from] An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1948, and for other purposes. (Act of May 10, 1948, 62 Stat. 213, 221, Public Law 80-519.)

Construction: * * * *Rathdrum Prairie project, Idaho, \$109,500* to be available for emergency rehabilitation of the works of the Hayden Lake unit.

¹ This authorization omitted from 1957 edition.

RIO GRANDE PROJECT

NEW MEXICO-TEXAS

RECREATION FACILITIES

An act to provide for the establishment and administration of basic public recreation facilities at the Elephant Butte and Caballo Reservoir areas, New Mexico, and for other purposes. (Act of July 25, 1962, 76 Stat. 171, Public Law 87-542.)

SEC. 1. [**Recreation facilities.**] That the Secretary of the Interior is authorized and directed to investigate, plan, construct, operate, and maintain basic recreation facilities at Elephant Butte and Caballo Reservoirs, Rio Grande Federal reclamation project, New Mexico (including access roads and facilities for the safety, health, and protection of the visiting public), and to provide for the public use and enjoyment of such recreation facilities and the water areas of such reservoirs in such manner as is consistent with the primary purpose of such project. The cost of such recreation facilities shall be nonreimbursable and nonreturnable.

SEC. 2. [**Water use, restriction.**] The construction of recreation facilities at or near Elephant Butte and Caballo Reservoirs, as herein authorized, shall not provide in any manner whatsoever a basis for the allocation of water for recreation use or for the allocation of reservoir capacity for recreation use; and the priority for irrigation use of water stored in Elephant Butte and Caballo Reservoirs and the priority of use for irrigation purposes of the capacities of such reservoirs shall not be affected in any manner by the provision for recreation facilities as authorized herein.

SEC. 3. [**Rules and regulations.**] The Secretary of the Interior may issue such rules and regulations as are necessary to carry out the provisions of this Act and may enter into an agreement with the State of New Mexico, or a political subdivision thereof, for the administration, operation, and maintenance of the facilities herein authorized.

SEC. 4. [**Appropriation authorized.**] There are authorized to be appropriated such amounts, but no more than \$607,000, as may be necessary to carry out the provisions of this Act.

RIVERTON PROJECT

WYOMING

COMPENSATE SHOSHONE AND ARAPAHOE TRIBES ¹

[Extracts from] An act to provide compensation to the Shoshone and Arapahoe Tribes of Indians for certain lands of the Riverton reclamation project within the ceded portion of the Wind River Indian Reservation, and for other purposes. (Act of August 15, 1953, 67 Stat. 592, 613, Public Law 83-284.)

SEC. 1. [Shoshone and Arapahoe Tribes. Compensation. Wind River Indian Reservation. Ceded lands.] That there is hereby authorized to be transferred in the Treasury of the United States from funds now or hereafter made available for carrying on the functions of the Bureau of Reclamation and to be placed to the credit of the Shoshone and Arapahoe Tribes of Indians of the Wind River Indian Reservation in Wyoming, the sum of \$1,009,500, said sum shall be credited to and expended for the benefit of said tribes and their members as provided by the Act of May 19, 1947 (61 Stat. 102), as amended by the Act of August 30, 1951 (65 Stat. 208), and by the Act of July 17, 1953 (Public Law 132, Eighty-third Congress) [25 USC 611-613. Ante, p. 179], and as may be hereinafter amended, and shall be deemed to constitute full, complete, and final compensation, except as provided in section 5 of this Act, for terminating and extinguishing all of the right, title, estate, and interest, including minerals, gas and oil, of said Indian tribes and their members of, in and to the lands, interests in lands, and any and all past and future damages arising out of the cession to the United States, pursuant to the Act of March 3, 1905 (33 Stat. 1016) of that part of the former Wind River Indian Reservation lying within the following described boundaries:

* * *

SEC. 3. [Funds.] The sum transferred to the credit of the Shoshone and Arapahoe Tribes of Indians as aforesaid and the expenses of carrying out the provisions of this Act shall be non-reimbursable and nonreturnable under the reclamation laws of the United States. The net proceeds derived from the disposal of said lands shall be covered into the general fund of the Treasury or into the reclamation fund as the Secretary of the Interior shall find appropriate in the light of the source from which the funds transferred or expended in carrying out this Act are derived.

¹ Omitted from 1957 edition.

THIRD DIVISION

An act to authorize the Secretary of the Interior to acquire lands, including farm units and improvements thereon, in the third division, Riverton reclamation project, Wyoming, and to continue to deliver water for three years to lands of said division, and for other purposes. (Act of March 10, 1964, 78 Stat. 156, Public Law 88-278.)

SEC. 1. (a) [Riverton reclamation project. Land purchase.] That the Secretary of the Interior shall negotiate with the entrymen on and the owners of land within the third division of the Riverton Federal reclamation project, Wyoming, for the purchase of their lands, patented or unpatented, at a price equal to the appraised value thereof and of the improvements thereon. In the case of any lands which were represented as being suitable for sustained irrigation production in the land classification in force at the time entry was made or the lands were acquired by the present owner (or, if the present owner acquired the same by descent or devise, by his predecessor in title), such value shall be determined without reference to any deterioration in their irrigability subsequent to the time of entry or acquisition arising from above-normal seepage and/or inadequate drainage. The Secretary is authorized to acquire options for the purchase of such lands in the name of the United States.

[Reports to Congress.] He shall make a final report on the result of his negotiations and on options acquired to the President of the Senate and the Speaker of the House of Representatives on or before June 30, 1964, and, upon the expiration of not less than sixty calendar days after the submission of this report, he may acquire such lands.

(b) [Disposal of certain property.] Property acquired by the United States under this section shall be available for disposal under the terms of the Farm Unit Exchange Act of August 13, 1953 (67 Stat. 566), or at public or private sale for not less than the appraised value at the time of such sale. Costs incurred by the Secretary under this section which are not offset by returns from sales shall be nonreimbursable and nonreturnable.

SEC. 2. [Water delivery.] The Secretary is authorized to continue to deliver water to the lands of the third division during calendar years 1964, 1965, and 1966 as under the provisions of section 9, subsection (d) (1), of the Reclamation Project Act of 1939 (53 Stat. 1187, 1195; 43 U.S.C. 485h(d)) but without regard to the time limitation therein specified. Water shall be furnished only upon individual application therefor and upon payment of an amount for each acre to which water is to be furnished to the applicant during the year in question equal to the estimated average cost per acre for all lands to be irrigated that year of operating and maintaining the third division.

[Report to Congress.] Prior to the expiration of this three-year period (January 1, 1967), the Secretary shall determine whether there are sufficient lands capable of sustained production under irrigation use in the North Portal, North Pavillion, and Cottonwood Bench areas of the third division to form an economical, feasible unit and shall report his findings thereon to the Congress.

SEC. 3. **[Ownership limitations.]** Notwithstanding any other provision of law, the limitation of lands held in single ownership within the third division which are eligible to receive project water from, through, or by means of project works shall be one hundred and sixty acres of class 1 land or the equivalent thereof in other land classes, as determined by the Secretary.

SEC. 4. **[Construction costs.]** Construction costs of the third division which the Secretary determines to be assignable to the lands classified as permanently nonproductive shall be nonreturnable and nonreimbursable under the Federal reclamation laws: *Provided*, That whenever new lands or lands formerly classified as nonproductive, are subsequently classified or reclassified as productive, the repayment obligation of the repayment organization within which such lands are included shall be appropriately increased.

SEC. 5. (a) **[Moratorium on foreclosure by U.S.]** Notwithstanding any other provision of law, any administrative regulation, or the terms of any mortgage or other security instrument, no real property on the third division which has heretofore been mortgaged or otherwise encumbered as security for a debt to the United States or any of its agencies shall be subject to foreclosure or other process of law for enforcement of the debt between the effective date of this Act and December 1, 1964: *Provided*, That nothing contained in the foregoing shall operate to discharge any obligation of the debtor to the United States.

(b) **[New mortgages. Prohibition.]** Notwithstanding any other provision of law or any administrative regulation, no agency of the United States shall hereafter and prior to December 1, 1964, take as security for a debt to the United States or to that of any other agency of the United States any mortgage or other form of encumbrance on real property on the third division unless (1) the debt to the United States or its agency has heretofore been incurred and the security has heretofore been given and is required to be continued in connection with a renewal or refinancing of the debt or (2) the debtor specifically waives, with the consent of the Secretary of the Interior, the privilege of selling his land to the United States as provided in the first section of this Act.

SEC. 6. **[Appropriations authorized for land acquisition and facilities.]** Appropriations heretofore or hereafter made for carrying on the functions of the Bureau of Reclamation shall be available in an amount of not more than \$2,000,000 for the acquisition of lands as provided in section 1(a) of this Act and for additional drainage facilities, canal lining, and structure replacements: *Provided*, That all miscellaneous net revenues received from the sale of lands under section 1(b) of this Act shall be applied against such costs.

NOTE.—Subsequent water deliveries made under authority of Section 9(e) of the Reclamation Project Act of 1939 and the Warren Act of February 21, 1911.

AMENDMENT

An act to amend the Act of March 10, 1964. (Act of September 2, 1964, 78 Stat. 853, Public Law 88-569.)

That section 6 of the Act of March 10, 1964 (78 Stat. 156), is hereby amended by substituting the figures "\$3,200,000" for the figures "\$2,000,000".

ROGUE RIVER BASIN PROJECT

OREGON

The feasibility report on Agate Dam and Reservoir, Talent Division, was transmitted to the Congress by the Secretary of the Interior on September 30, 1960 (House Document No. 39, 87th Cong.). Construction was authorized by act of Congress on October 1, 1962 (72 Stat. 677).

TALENT DIVISION

AGATE DAM AND RESERVOIR

U.S. DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., June 30, 1960.

The SECRETARY OF THE INTERIOR.

SIR: This is my report on Agate Dam and Reservoir, Talent division, Rogue River Basin project, Oregon. It is based on and includes our proposed report of April 6, 1960, which the Under Secretary approved and adopted on April 8, 1960.

Copies of the proposed report were transmitted on April 13, 1960, to the affected States of Oregon and California and to the Secretary of the Army for review as required by the Flood Control Act of 1944. In accordance with the Fish and Wildlife Coordination Act (48 Stat. 401, as amended; 16 U.S.C. 661; et seq.), the report was also sent to the State of Oregon for comments from the head of the agency exercising administration over the wildlife resources of that State. In addition, copies were sent to the Federal agencies represented on the Inter-Agency Committee on Water Resources.

Comments have been received from all those recipients and copies of their letters are attached¹ to and made a part of the report. All comments are either favorable to the potential development or offer no objections. Officials of the State of Oregon recommend the authorization and construction of Agate Dam and Reservoir and associated facilities as early as possible.

Revision of the proposed report, as a result of these reviews, does not appear to be necessary. Accordingly, I recommend that

¹ Excluded from this publication.

you approve and adopt this as your report on Agate Dam and Reservoir, Talent division, Rogue River Basin project, and that you transmit it, together with the attached comments, to the President and subsequently to the Congress, as provided by the Reclamation Act of 1939.

Respectfully,

N. B. BENNETT, Jr.,
Acting Commissioner.

Approved and adopted July 12, 1960.

FRED A. SEATON,
Secretary of the Interior.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., July 12, 1960.

THE PRESIDENT,
The White House, Washington, D.C.
(Through Bureau of the Budget).

DEAR MR. PRESIDENT: My report on a plan of development for Agate Dam and Reservoir, Talent division, Rogue River Basin project, Oregon, is transmitted herewith pursuant to the Reclamation Project Act of 1939 (53 Stat. 1187).

The plan provides for the construction of a relatively small dam and reservoir and associated facilities to furnish a water supply to acreage within the boundaries of the existing Rogue River Valley Irrigation District. A primary service would be to 1,810 acres of dry land widely dispersed throughout that district. Minimum basic recreational facilities at the reservoir and screens to protect the fishery resources are proposed as part of the plan of development. The plan is engineeringly feasible and economically justified with benefits exceeding costs.

Officials of the Rogue River Valley Irrigation District and of the State of Oregon have expressed strong support for the potential development and have urged early authorization and construction. This proposal, although small in scope, would be an important addition to the irrigation facilities of the irrigation district.

My proposed report was transmitted to the States of Oregon and California and to the interested Federal agencies for review as required by law and interagency agreement. Copies of the review comments received are attached to the report.

I recommend that the plan of development for Agate Dam and Reservoir, Talent division, Rogue River Basin project, be authorized as set forth in my report. I shall appreciate having advice concerning the relationship of this irrigation development to your program before I transmit the report to the Congress for its con-

sideration and appropriate action as provided by the Reclamation Project Act of 1939.

Sincerely yours,

FRED A. SEATON,
Secretary of the Interior.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., August 25, 1960.

The Honorable the SECRETARY OF THE INTERIOR.

MY DEAR MR. SECRETARY: This is in reply to your letter of July 12, 1960, transmitting your report on the Agate Dam and Reservoir, Talent division, Rogue River Basin project, Oregon, and requesting advice as to the relationship of this proposed irrigation development to the program of the President.

Agate Dam and Reservoir and related works would provide for impounding 4,600 acre-feet of storage to furnish a full water supply to irrigate 1,810 acres of new land and a minor amount of supplemental water for presently irrigated lands. The estimated cost of the project based on January 1959 prices is \$1,802,000 of which \$1,754,900 is allocated to irrigation, \$27,100 to mitigation of damages to fish and wildlife, and \$20,000 to recreation for minimum basic facilities. The benefit-cost ratio based on direct benefits and a 50-year period of analysis is estimated to be 1.59.

The report indicates that the irrigators can repay \$993,000 or 57 percent of the \$1,754,900 irrigation allocation within a 50-year period following a 10-year development period. While a full 10-year development period would be required for developing new orchards, two-thirds of the project acreage will be in full production by the end of the fifth year. The remaining \$761,900 of the irrigation allocation is scheduled for repayment in years 2021 to 2023 from the so-called surplus power revenues of the Green Springs powerplant of the Talent division.

There would be no objection to the submission of your report to the Congress. However, no commitment can be made at this time as to when any estimate of appropriation would be submitted for construction of the project, if authorized by the Congress, since this would be governed by the President's budgetary objectives as determined by the then prevailing fiscal situation.

It is requested that a copy of this letter accompany your report to the Congress.

Sincerely yours,

ELMER B. STAATS,
Deputy Director.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., September 30, 1960.

Hon. SAM RAYBURN,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: Our report on the Agate Dam and Reservoir, Talent division, Rogue River Basin project, Oregon, is transmitted herewith, as provided by section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187).

The report presents a plan for construction of a comparatively small reservoir to conserve and regulate the waters of Dry Creek and Antelope Creek for irrigation use in the area served by the Rogue River Valley Irrigation District. The water supply will be used both to supplement present supplies for irrigated land and to extend irrigation service to an additional 1,810 acres. Except for minor allocations of cost to fish and wildlife and recreation purposes, which we recommend be nonreimbursable, the entire cost is allocated to irrigation and will be repaid within 50 years following a 10-year development period with revenues derived from water service and surplus revenues from sale of power from the Green Springs powerplant of the Talent division.

Our proposed report on this project was transmitted to the affected States and interested Federal agencies for review as required by law and interagency agreement. Comments have been received from all to which the report was sent, and copies of those comments are attached to the report. The report and the comments received have been submitted to the President. Attached is a letter dated August 25, 1960, from the Deputy Director of the Bureau of the Budget which states that there would be no objection to the submission of this report to the Congress.

We find the proposed plan engineeringly feasible and economically justified.

We recommend that construction of the Agate Dam and Reservoir, Talent division, Rogue River Basin project, Oregon, be authorized as set forth in our report.

Sincerely yours,

ELMER F. BENNETT,
Under Secretary of the Interior.

AGATE DAM AUTHORIZING ACT

An act to amend the Act of August 20, 1954 (68 Stat. 752), in order to provide for the construction, operation, and maintenance of additional features of the Talent division of the Rogue River Basin reclamation project, Oregon. (Act of October 1, 1962, 76 Stat. 677, Public Law 87-727.)

SEC. 1. [Construction authority.] That, in addition to the works described in section 1 of the Act of August 20, 1954 (68 Stat. 752), the Secretary of the Interior, acting pursuant to the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and

Acts amendatory thereof or supplementary thereto), is authorized to construct, operate, and maintain as a part of the Talent division of the Rogue River Basin project, Oregon, the following works: Agate Dam and Reservoir, a diversion dam, feeder canals, and related facilities.

SEC. 2. [Recreation facilities.] (a) The Secretary of the Interior is authorized, in connection with the works authorized by this Act, to construct minimum basic public recreation facilities and to arrange for the operation and maintenance of the same by an appropriate State or local agency or organization. The cost of constructing such facilities shall be nonreimbursable and nonreturnable under the reclamation laws.

(b) **[Fish and wildlife.]** The Secretary may make such reasonable provision in the works authorized by this Act as he finds to be required for the conservation and development of fish and wildlife in accordance with the provisions of the Fish and Wildlife Coordination Act (48 Stat. 401, as amended; 16 U.S.C., sec. 661, and the following), and the portion of the construction costs allocated to these purposes together with an appropriate share of the operation, maintenance, and replacement costs therefor, shall be nonreimbursable and nonreturnable.

SEC. 3. [Appropriation authorized.] (a) Section 3 of the Act of August 20, 1954, *supra*, is amended by inserting after the figure "\$22,900,000" the following: " , and for the construction of Agate Dam and Reservoir the sum of \$1,802,000 (January 1960 costs), in each case".

(b) Section 2, subsection (c) of said Act is amended by deleting the final period and adding to the last sentence "from the date when each irrigation repayment contract becomes effective."

SALT RIVER PROJECT

ARIZONA

THEODORE ROOSEVELT DAM

Joint resolution to change the name of Roosevelt Dam, Reservoir, and Power Plant in Arizona to Theodore Roosevelt Dam, Lake, and Power Plant. (Joint resolution of September 14, 1959, 73 Stat. 552, Public Law 86-266.)

That the dam, reservoir, and power plant, in Arizona, known as Roosevelt Dam, Reservoir and Power Plant, shall hereafter be known as Theodore Roosevelt Dam, Lake, and Power Plant, and any law, regulation, document, or record of the United States in which such dam, reservoir, and power plant are designated or referred to under the name Roosevelt Dam, Reservoir, and Power Plant shall be held to refer to such dam, reservoir, and power plant under and by the name of Theodore Roosevelt Dam, Lake, and Power Plant.

SAN ANGELO PROJECT

TEXAS

San Angelo project feasibility report was transmitted by the Secretary of the Interior to the Congress on April 12, 1957 (H. Doc. No. 151, 85th Cong.). Construction was authorized by act of Congress on August 16, 1957 (71 Stat. 372).

DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., February 19, 1957.

The SECRETARY OF THE INTERIOR.

SIR: This is my report on the potential San Angelo project, a multiple-purpose water resource development in the Concho River Basin, in Texas. It is based on, and includes, our proposed report of June 29, 1956, which you approved and adopted on July 5, 1956.

Copies of the proposed report were transmitted to the State of Texas and the Secretary of the Army in accordance with the provisions of section 1(c) of the Flood Control Act of 1944. As provided by the act of August 14, 1946, the report was also sent to the Governor of Texas for comments from the head of the agency exercising administration over wildlife resources of that State. In addition, copies were sent to the Federal agencies represented on the Interagency Committee on Water Resources. Comments have been received from all of those recipients and copies of their letters are attached¹ to, and made a part of, the report.

The comments received are generally favorable or offer no objection to the proposed plan of development for the San Angelo project. The State of Texas finds the project to be feasible and approved it subject to four conditions set forth in the Governor's letter of November 5, 1956. Those conditions concern actions which will need to be considered during advance planning and preconstruction activities following authorization of the project. The Chief of Engineers, Department of the Army, finds that there is no apparent conflict between the proposed improvements and the existing projects or plans of the Corps of Engineers in the vicinity of San Angelo, Tex. The other Federal agencies either endorse, offer no objection, or offer assistance in working out certain aspects related to their interests in the final designs and construction of the project.

¹ Excluded from this publication.

Suggested improvements or modifications of certain technical or related details of the proposed plan of development made by the various reviewing agencies will be considered and can be accommodated as necessary during the advance planning and reconstruction activities on the project following its authorization.

As the comments received are generally favorable and offer no objection to the proposed plan of development, I believe it is not necessary to revise the proposed report as a result of those reviews. As recommended for the purposes of municipal water supply, irrigation, flood control, fish and wildlife, and recreation in accordance with the proposed plan of development, construction costs are allocated tentatively as follows:

Purpose	Nonreimbursable	Reimbursable	Total
Municipal supply	0	\$6,100,000	\$6,100,000
Irrigation	0	9,900,000	9,900,000
Flood control	\$10,500,000	0	10,500,000
Recreation	60,000	0	60,000
Fish and wildlife	3,440,000	0	3,440,000
Total	14,000,000	16,000,000	\$30,000,000

As indicated in our proposed report, negotiations were undertaken during the review period to obtain an agreement with the Lower Colorado River Authority for subordination of whatever rights it might in the future claim or assert under its present permits to the extent needed to assure full utilization of the conservation storage space of the San Angelo project reservoirs. As a result of those negotiations a subordination agreement with respect to the waters which will be impounded in the conservation storage space of the proposed Twin Buttes Reservoir for the project purposes was executed on February 11, 1957, among the authority, the San Angelo Water Supply Corp., the city of San Angelo, and the Tom Green County Water Control and Improvement District No. 1. This agreement, together with the water rights held and to be obtained for the project, should provide reasonable assurance of project water.

Accordingly, I recommend that you approve and adopt this as your report on the plan of development for the San Angelo project, and that you transmit it to the President and subsequently to the Congress in accordance with the provisions of the Reclamation Act of 1939.

Respectfully,

E. G. NIELSEN,
Acting Commissioner.

Approved and adopted: February 27, 1957.

FRED G. AANDAHL,
Acting Secretary of the Interior.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., February 27, 1957.

The PRESIDENT,
The White House, Washington, D.C.
(Through the Bureau of the Budget.)

DEAR MR. PRESIDENT: My report on a plan of development for the proposed San Angelo project, Texas, is transmitted herewith under provisions of section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187).

The multipurpose San Angelo project would provide optimum utilization of the available water and land resources of the area near San Angelo, Tex. The Twin Buttes Dam and Reservoir with total maximum capacity of 810,000 acre-feet is the principal new project feature. The proposed project works, operated in conjunction with the existing facilities in the Concho River Basin, would provide water supply for municipal use, irrigation, fish and wildlife, and recreation, and complete the program necessary for flood protection in the vicinity of San Angelo.

The total estimated construction cost of the project, based on October 1955 prices, is about \$30 million. Of this, about \$16 million would be reimbursable, being allocated tentatively to municipal water (\$6,100,000) and irrigation (\$9,900,000) on the basis of a nonreimbursable allocation to fish and wildlife. Of the \$14 million nonreimbursable cost, \$10.5 million is allocated tentatively to flood control, \$60,000 to recreation, and \$3,440,000 to fish and wildlife. The project has engineering feasibility and is economically justified. Evaluated annual total benefits exceed the estimated annual costs in a ratio of more than 2 to 1. If direct benefits only are considered for a 50-year period of analysis that ratio would be about 1.25 to 1.

The capital costs allocated to municipal water supply would be repaid with interest within a 40-year period. Following a 5-year development period the irrigation water users would probably repay \$4 million of the irrigation allocation in the 40-year period in addition to the irrigation share of operation, maintenance, and replacement costs. The remainder of the costs allocated to irrigation in excess of the irrigators' ability to pay would be paid with municipal water revenues within that period.

The proposed report was coordinated with the State of Texas, the Secretary of the Army, and the interested Federal agencies as required by law and interagency agreement. Copies of the comments received as a result of that coordination are attached¹ to the report.

I recommend that the plan of development for the San Angelo project, Texas, be authorized as set forth in my report. I shall appreciate having advice concerning the relationship of the San Angelo project to your program before I transmit the report to the

¹ Excluded from this publication.

Congress for its consideration and appropriate action in accordance with the provisions of the Reclamation Project Act of 1939.

Sincerely yours,

FRED G. AANDAHL,
Acting Secretary of the Interior.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., April 1, 1957.

The Honorable the SECRETARY OF THE INTERIOR.

MY DEAR MR. SECRETARY: This is in reply to Acting Secretary Aandahl's letter of February 27, 1957, transmitting your report on the proposed San Angelo project, Texas.

The proposed improvements, operated in conjunction with existing facilities, would provide a water supply for municipal use in the town of San Angelo, and for irrigation of 10,000 acres, and would provide 430,000 acre-feet of flood-control storage. In addition, the report states that benefits to fish and wildlife and recreation would be realized. The estimated construction cost, based on October, 1955 prices, is about \$30 million. Using a 100-year period of analysis, the report indicates that the costs would be tentatively allocated as follows:

Purpose	Reimbursable	Nonreimbursable
Municipal water	\$6,100,000	
Irrigation	9,900,000	
Flood control		\$10,500,000
Fish and wildlife		3,440,000
Recreation		60,000
Total	16,000,000	14,000,000

The benefit-cost ratio, based on a 50-year period of analysis and considering direct benefits only, is stated to be 1.25.

By the use of municipal water revenues, local interests would repay the costs allocated to municipal water supply within 40 years, with interest. These revenues are estimated to be sufficient to repay also, without interest, the costs allocated to irrigation that exceed anticipated repayment over a 40-year period by the irrigators. Thus, allowing for a 5-year irrigation development period, all reimbursable costs, according to the report, would be repaid within 45 years.

We have recently been informally advised by staff of the Bureau of Reclamation that, at 1957 price levels, the estimated cost of the proposed project has increased to \$32,220,000, and that local interests are willing and able to repay the estimated reimbursable costs, now estimated at \$17,760,000. We believe it would be desirable for your report to the Congress to be made in terms of current price levels. We also believe that the allocation of costs

should be based on a 50-year period of analysis rather than a 100-year period.

The Corps of Engineers, in determining the flood-control benefits attributable to the plan, have found that local interests should contribute \$350,000 in recognition of enhancement of land values. However, the report does not specify how or by whom such payment would be made although indicating that local interests could easily make this payment. In order to clarify this point, it is suggested that the report be revised to include a recommendation that local interests contribute \$350,000 toward construction costs prior to the initiation of construction.

The report proposes a tentative nonreimbursable allocation of over \$3 million for fish and wildlife. No specific costs would be incurred for this purpose and the report states that fish and wildlife benefits are realized incidental to operation of the reservoirs for the primary purposes of municipal water supply, irrigation, and flood control. Furthermore, the information on these benefits included in the report is insufficient to provide the means for our determination of their validity. The effect of such an allocation is to substantially reduce the reimbursable costs. We believe that the cost allocation should not include fish and wildlife as a project purpose, but rather that it should follow the alternative presented in the report of the regional director. It is recognized that this would increase the amounts to be repaid by local interests, but it appears that sufficient repayment capacity exists to absorb such an increase.

The recreational opportunities connected with the project appear to be primarily local in nature. We believe, therefore, that the cost associated with the recreational facilities proposed for construction at Federal expense should be considered as part of the joint cost and allocated to the major project purposes.

Subject to your consideration of the above comments, there would be no objection to the submission of the report to the Congress. No commitment, however, can be made at this time as to when any estimates of appropriation would be submitted for construction of the project, if authorized by the Congress, since this would be governed by the President's budgetary objectives as determined by the then prevailing fiscal situation.

Sincerely yours,

ROBERT E. MERRIAM,
Assistant Director.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., April 12, 1957.

Hon. SAM RAYBURN,
Speaker of the House of Representatives.

DEAR MR. SPEAKER: As provided by section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187), transmitted herewith

are my report and findings on the San Angelo project, Texas.

The report presents a plan of development for a multipurpose project in the Concho River Basin near San Angelo, Tex. Development of the San Angelo project, which is engineeringly feasible and economically justified, would provide water supply for municipal purposes, irrigation, fish and wildlife, and recreation. When operated in conjunction with existing facilities in the basin, it would complete the program necessary for flood protection in the vicinity of that city.

My proposed report on the project was reviewed by the State of Texas, the Secretary of the Army, and interested Federal agencies as required by the Flood Control Act of 1944 (58 Stat. 887), the act of August 14, 1946 (60 Stat. 1080), and interagency agreement. Copies of the comments received as a result of that review are attached to the report.

The report and copies of all comments were submitted to the President on February 28, 1957. A copy of Assistant Budget Director Robert E. Merriam's letter of April 1, 1957, advising that, subject to consideration of his comments, there would be no objection to the submission of the report to the Congress, is enclosed.

At present prices (January 1957) the construction cost of the project is estimated to be about \$32,220,000 as compared to the \$30 million shown in the report. Tentative allocations of the increased costs would be about as follows:

Municipal water supply	\$ 6,700,000
Irrigation	11,060,000
Flood control	10,800,000
Fish and wildlife	3,600,000
Recreation	60,000

I recommend that the San Angelo project, Texas, be authorized.

Sincerely yours,

FRED G. AANDAHL,
Assistant Secretary of the Interior.

AUTHORIZING ACT

An act to provide for the construction by the Secretary of the Interior of the San Angelo Federal reclamation project, Texas, and for other purposes. (Act of August 16, 1957. 71 Stat. 372. Public Law 85-152.)

SEC. 1. [Construction authorization.] That the Secretary of the Interior is authorized to construct, operate, and maintain the San Angelo Federal reclamation project, Texas for the principal purposes of furnishing water for the irrigation of approximately ten thousand acres of land in Tom Green County and municipal, domestic, and industrial use, controlling floods, providing recreation and fish and wildlife benefits, and controlling silt. The principal

engineering features of said project shall be a dam and reservoir at or near the Twin Buttes site, outlet works at the existing Nasworthy Dam, and necessary canals, drains, and related works.

SEC. 2. (a) [Authority.] In constructing, operating, and maintaining the San Angelo project, the Secretary shall be governed by the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto), except as is otherwise provided in this Act.

(b) [Contract.] Actual construction of the project shall not be commenced, and no construction contract therefor shall be awarded, until a contract or contracts complying with the provisions of this Act have been entered into for payment of those portions of the construction cost of the project which are allocated to irrigation and to municipal, domestic, and industrial water.

(c) [Water rates.] In furnishing water for irrigation and for municipal, domestic, and industrial uses from the project, the Secretary shall charge rates with the object of returning to the United States over a period of not more than forty years, exclusive of any development period for irrigation, all of the costs incurred by it in constructing, operating, and maintaining the project which the Secretary finds to be properly allocable to the purposes aforesaid and of interest on the unamortized balance of the portion of the construction cost which is allocated to municipal, domestic, and industrial water. Said interest shall be at the average rate, which rate shall be certified by the Secretary of the Treasury, paid by the United States on its marketable long-term securities outstanding on the date of this Act. When all of the said costs allocable to said purpose incurred by the United States in constructing, operating, and maintaining the project, together with said interest on the said unamortized balance, have been returned to the United States, the contracting organization or organizations which have thus reimbursed the United States shall have a permanent right to use that portion of the storage space in the project thus allocable to said uses.

(d) [Repayment contract prerequisites.] Any contract entered into under section 9, subsection (d), of the Reclamation Project Act of 1939 (53 Stat. 1197, 1193, 43 U.S.C., sec. 485h (d)) for payment of those portions of the costs of constructing, operating, and maintaining the project which are allocated to irrigation and assigned to be paid by the contracting organization may provide for repayment of the portion of the construction cost of the project assigned to any project contract unit, or if the contract unit be divided into two or more irrigation blocks, to any such block over the period specified in said section 9, subsection (d), or as near thereto as is consistent with the adoption and operation of a variable payment formula which, being based on full repayment within said period under normal conditions, permits variance in the required annual payments in the light of economic factors pertinent to the ability of the irrigators to pay: *Provided*, That

for a period of ten years from the date of enactment of this Act, no water from the project shall be delivered to any water user for the production on newly irrigated lands of any basic agricultural commodity, as defined in the Agricultural Act of 1949, or any amendment thereof, if the total supply of such commodity for the marketing year in which the bulk of the crop would normally be marketed is in excess of the normal supply as defined in section 301(b)(10) of the Agricultural Adjustment Act of 1938, as amended, unless the Secretary of Agriculture calls for an increase in production of such commodity in the interest of national security.

(e) [**Reclamation Act of 1939.**] Contracts relating to municipal, domestic, and industrial water supply may be entered into without regard to the last sentence of section 9, subsection (c), of the Reclamation Project Act of 1939, and such contracts may recognize the relative priorities of domestic, municipal, industrial, and irrigational uses.

(f) [**Project works, maintenance, etc.**] Upon request of a contracting organization, the Secretary may at any time and shall, after payment of the reimbursable costs of the project has been completed, transfer to the requesting organization, or to another organization designated by it and satisfactory to him, the care, operation, and maintenance of any project works which serve the requesting organization and do not serve any other contracting organization. The care, operation, and maintenance of project works which serve two or more contracting organizations may or shall, as the case may be, be transferred in like circumstances to an organization satisfactory to all of said organizations and to the Secretary. Any transfer made pursuant to the authority of this section shall be upon terms and conditions satisfactory to the Secretary, and the works transferred shall be operated and maintained without further expense to the United States. If the transferred works serve a flood control or fish and wildlife function, they shall be operated and maintained in accordance with regulations with respect thereto prescribed by the Secretary of the Army and the Secretary of the Interior, respectively, and upon failure so to operate or maintain them they shall, upon demand, be returned immediately to the Secretary of the Interior.

SEC. 3. [**Recreational facilities.**] The Secretary is authorized to construct minimum basic recreational facilities at the Twin Buttes Reservoir and to operate and maintain or arrange for the operation and maintenance of the same. The costs of constructing, operating, and maintaining such facilities, and like costs of the San Angelo project allocated to flood control and to the preservation and propagation of fish and wildlife shall, except as is otherwise provided in this Act, be nonreimbursable and nonreturnable under the reclamation laws. The Secretary shall, upon conclusion of a suitable agreement with a qualified agency and subject to such conditions as may be set forth in the repayment contracts, permit said agency to construct, operate, and maintain additional

public recreational facilities and parks in connection with the project to the extent determined by the Secretary to be consistent with its primary purposes and subject to terms and conditions satisfactory to him.

SEC. 4. **[Appropriations authorized.]** There are hereby authorized to be appropriated for construction of the works authorized by this Act \$32,220,000 plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indices applicable to the type of construction involved herein. There are also authorized to be appropriated such sums as may be required for the operation and maintenance of said works.

SAN DIEGO PROJECT

CALIFORNIA

SECOND BARREL ¹

An act to amend the act entitled "An act to authorize the Secretary of the Navy to enlarge existing water-supply facilities for the San Diego, California, area in order to insure the existence of an adequate water supply for naval installations and defense production plants in such area", approved October 11, 1951. (Act of May 31, 1957, 71 Stat. 41, Public Law 85-38.)

That the Act entitled "An Act to authorize the Secretary of the Navy to enlarge existing water-supply facilities for the San Diego, California area in order to insure the existence of an adequate water supply for naval installations and defense production plants in such area", approved October 11, 1951, is amended by adding the following new section:

"SEC. 9. [Jurisdiction of Interior Department.] As soon as practicable after completion of construction of the work authorized by the first section of this Act, the Secretary of the Navy and the Secretary of the Interior shall make such interdepartmental and other arrangements and enter into such contracts and amendments to existing contracts as they may find necessary or desirable for the purposes of effecting (1) the transfer to the Secretary of the Interior on behalf of the United States of jurisdiction over the aqueduct, and of the administration of the contract numbered NOy-13300 of October 17, 1945, and of all contracts amendatory thereof or supplementary or collateral thereto; and (2) the substitution and designation of an appropriate official of the Department of the Interior for the Secretary of the Navy and for the Contracting Officer therein."

¹ This document omitted from 1957 edition.

SNETTISHAM PROJECT

ALASKA

CRATER-LONG LAKES DIVISION

[House Document No. 40, 87th Cong.]

The Snettisham Project, Crater-Long Lakes division, was authorized for construction by the Secretary of the Army acting through the Chief of Engineers by the Flood Control Act of October 23, 1962, 76 Stat. 1193. The Secretary of the Interior was authorized to operate and maintain the division and was made responsible for the disposition of electric power and energy. The functions were transferred from the Bureau of Reclamation to the Alaska Power Administration June 16, 1967.

FLOOD CONTROL ACT OF 1962

[Extract from] An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes. (Act of October 23, 1962, 76 Stat. 1173, 1180, 1193, Public Law 87-874.)

SEC. 204. (a) [**Hydroelectric power development.**] For the purpose of developing hydroelectric power and to encourage and promote the economic development of and to foster the establishment of essential industries in the State of Alaska, and for other purposes, the Secretary of the Army, acting through the Chief of Engineers, is authorized to construct and the Secretary of the Interior is authorized to operate and maintain the Crater-Long Lakes division of the Snettisham project near Juneau, Alaska. The works of the division shall consist of pressure tunnels, surge tanks, penstocks, a powerplant, transmission facilities, and related facilities, all at an estimated cost of \$41,634,000.

(b) [**Sale of power and energy.**] Electric power and energy generated at the division except that portion required in the operation of the division, shall be disposed of by the Secretary of the Interior in such a manner as to encourage the most widespread use thereof at the lowest possible rates to consumers consistent with sound business principles. Rate schedules shall be drawn having regard to the recovery of the costs of producing and trans-

NOTE: Eklutna and Snettisham Projects and Alaskan Investigations were transferred to the Alaska Power Administration established by Secretary's Order No. 2900, dated June 16, 1967.

mitting the power and energy, including the amortization of the capital investment over a reasonable period of years, with interest at the average rate (which rate shall be certified by the Secretary of the Treasury) paid by the United States on its marketable long-term securities outstanding on the date of this Act and adjusted to the nearest one-eighth of 1 per centum. In the sale of such power and energy, preference shall be given to Federal agencies, public bodies, and cooperatives. It shall be a condition of every contract made under this Act for the sale of power and energy that the purchaser, if it be a purchaser for resale, will deliver power and energy to Federal agencies or facilities thereof within its transmission area at a reasonable charge for the use of its transmission facilities. All receipts from the transmission and sale of electric power and energy generated at said division shall be covered into the Treasury of the United States to the credit of miscellaneous receipts.

(c) [**Contract authority.**] The appropriate Secretary is authorized to perform any and all acts and enter into such agreements as may be appropriate for the purpose of carrying the provisions of this Act into full force and effect, including the acquisition of rights and property, and the Secretary of the Army, when an appropriation shall have been made for the commencement of construction or the Secretary of the Interior in the case of operation and maintenance of said division, may, in connection with the construction or operation and maintenance of such division, enter into contracts for miscellaneous services for materials and supplies, as well as for construction, which may cover such periods of time as the appropriate Secretary may consider necessary but in which the liability of the United States shall be contingent upon appropriations being made therefor.

* * *

SOLANO PROJECT

CALIFORNIA

LAKE SOLANO

An act to designate the lake above the diversion dam of the Solano project in California as Lake Solano. (Act of July 2, 1958, 72 Stat. 270, Public Law 85-481.)

That the lake above the diversion dam of the Solano project in California, which lake is below the main dam (Monticello Dam) of the project, shall hereafter be known as Lake Solano, and any law, regulations, document, or record of the United States in which such lake is designated or referred to shall be held to refer to such lake under and by the name of Lake Solano.

MONTICELLO DAM

An act to designate the main dam of the Solano project in California as Monticello Dam. (Act of July 2, 1958, 72 Stat. 287, Public Law 85-485.)

That the main dam of the Solano project in California, which is a reclamation project, shall hereafter be known as Monticello Dam, and any law, regulation, document, or record of the United States in which such dam is designated or referred to shall be held to refer to such dam under and by the name of Monticello Dam.

AUTHORIZATION OF SAFETY AND PUBLIC- USE FACILITIES

[Extract from] An act making appropriations for * * * certain agencies of the Department of the Interior, * * * for the fiscal year ending June 30, 1959, and for other purposes. (Act of September 2, 1958, 72 Stat. 1572, 1578, Public Law 85-863.)

* * * Not to exceed \$125,000 of the funds made available for the Solano project, California, shall be available for the construction of safety and public-use facilities which shall be nonreimbursable and nonreturnable.

SOUTHERN NEVADA WATER PROJECT

NEVADA

The feasibility report for the Southern Nevada Water project was transmitted by the Secretary of the Interior to the Congress on May 15, 1965 (House Document No. 177, 89th Cong.). Construction of the project was authorized by act of Congress on October 22, 1965 (79 Stat. 1068).

U.S. DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., May 6, 1965.

The SECRETARY OF THE INTERIOR.

SIR: This is my report on the Southern Nevada water supply project, Nevada. It is based on and includes the attached feasibility report of the regional director dated August 1963 to which are appended reports of the Bureau of Sport Fisheries and Wildlife, National Park Service, Bureau of Mines, and Public Health Service.¹ Also attached as a part of the report is a supplement dated April 1965 which has been prepared by the regional director to update his feasibility report.¹

The proposed Southern Nevada water supply project is a single-purpose water resource development in Clark County, southeastern Nevada. Construction of the project would provide municipal and industrial water supplies to the cities of Las Vegas, North Las Vegas, Henderson, and Boulder City, and to the Nellis Air Force Base. It would also provide municipal and industrial water to the potential Eldorado Valley development. Incidental flood control would be provided by River Mountains Dam and Reservoir, features of the project. Construction of the project would not provide opportunities for development of hydroelectric power.

Because of the operation plan of the proposed River Mountains Reservoir and the proximity of Lake Mead National Recreation Area, it is not desirable to include facilities for general outdoor recreation such as swimming, camping, picnicking, or sightseeing in the plan. The conservation and development of the fishery resources were included in the regional director's August 1963 plan of development because the reservoir would offer the opportunity of developing a rainbow trout fishery close to the Las Vegas metropolitan area where no such fishery now exists. This feature of the plan has since been deleted, however, because of the opera-

¹ Excluded from this publication.

tional problems that would be involved as discussed in a following paragraph.

The use of project deliveries of water for irrigation development is not considered to be economically practical. Existing irrigation activities utilize artesian waste and municipal sewage. Increased return flows from project operation would provide additional water supply, some of which could be utilized for limited irrigation use.

The proposed project is needed to relieve a critical water supply situation in the area, to protect and conserve the dwindling groundwater resources in Las Vegas Valley, to provide the firm additional supply of municipal and industrial water that is required to serve a rapidly increasing population and industrial growth, and to provide for optimum development of the natural resources of the southern Nevada area.

The Las Vegas Valley area has experienced a rapid increase in population and wealth since the early 1950's and for most of the past decade its growth has been and continues to be phenomenal. A favorable climate, availability of large areas of undeveloped land, its strategic location in relation to Lake Mead National Recreation Area and the Nevada Atomic Test Site, plus the established reputation of the city of Las Vegas as an entertainment and convention center have all contributed to this development.

The proposed project has had the active support of the Nevada congressional delegation; the State of Nevada, including the Colorado River Commission, the Governor, the State department of conservation and natural resources; the Eldorado Valley Advisory Board; the Clark County Commissioners; the Southern Nevada Industrial Foundation; the municipalities of Las Vegas, North Las Vegas, Henderson, and Boulder City; the Nellis Air Force Base; and also various civic groups, associations, and private individuals.

The Southern Nevada water supply project would be constructed in three separate stages. During construction of the first-stage facilities, those features essential to later stages of development which could be more easily and economically constructed initially would be included. However, funds needed for construction of the second stage and third stage would not be requested until additional capacity becomes justified and needed.

* * *

On June 3, 1963, the Supreme Court of the United States rendered its opinion in the litigation over Colorado River water in the case of *Arizona v. California*, et al. The Court's opinion, followed by a formal decree dated March 9, 1964, established the basis for apportionment of the waters of the Lower Colorado River and confirmed Nevada's entitlement to 300,000 acre-feet per annum from the Colorado River, if 7,500,000 acre-feet are available for consumptive use in the States of Arizona, California, and Nevada. The Court also held, in effect, that Nevada's entitlement of Colorado River water is not subject to diminution because of tributary waters diverted from the Colorado River system. Since

Nevada's uses of Colorado River water, as shown in the report of the special master in the *Arizona v. California* case, do not exceed 25,000 acre-feet per annum, the amount of Colorado River water to be used by the Southern Nevada water supply project falls within the State's entitlement as defined by the Court's opinion and the water delivery contract.

In their reports appended to the regional director's report of August 1963, the other participating Federal agencies commented as follows:

The National Park Service recommended that authorizing legislation include a provision authorizing the Secretary of the Interior to take all appropriate steps to minimize damage to the scenic qualities of Lake Mead National Recreation Area. The Service also recommended that a sum of \$15,000 be included in the project cost estimate for landscape work and planting to obliterate construction scars within Lake Mead National Recreation Area.

The Bureau of Sport Fisheries and Wildlife found that the proposed River Mountains Reservoir, a regulatory feature of the project, has potential to support a heavily utilized rainbow trout fishery close to Las Vegas where no such fishery now exists. As recommended by that Bureau the plan of development contained in the regional director's report did provide for a fish facility to prevent escape of catchable-sized trout from the reservoir to the aqueduct system. However, subsequent consideration by representatives of all of the affected water-user agencies, the Nevada Fish and Game Department, the U.S. Fish and Wildlife Service, and our Bureau resulted in a decision to eliminate the fish and wildlife aspects of the project. This was based on reasoning that the nonreimbursable allocation resulting from consideration of the project reservoir for a trout fishery was far outweighed by the operational problems and expense that would be involved. The plan of development and the estimated cost of the project as presented in the regional director's report are modified in the attached April 1965 supplement¹ to reflect this decision. Although the fish and wildlife aspects have been eliminated, the screens planned for the Saddle Island intake would prevent the entrance of fish, moss, and trash into the pumping chamber.

The Public Health Service reported that Lake Mead water is acceptable both as to mineral and bacteriological quality but recommended consideration of complete treatment in all municipal use of water from this source to soften the water and to control special water problems which may occur. Provisions have been made in the plan to enable future installation of chlorination facilities at Saddle Island pumping plant if operation of the system indicates that chlorination is desirable. Chlorination facilities could also be installed at River Mountains Reservoir tunnel outlet if operation of the system indicates that chlorination is necessary. Water treatment facilities are not considered as part of the project, as such facilities would be provided independently by the water-user entities.

¹ Excluded from this publication.

The Bureau of Mines concluded in its report that no mineral involvement would be anticipated in the construction of the River Mountains Dam and Reservoir, and the only possible mineral involvement along the proposed tunnel right-of-way might be with some undeveloped perlite deposits.

The estimated total construction cost of the first stage of the Southern Nevada water supply project, as shown in the April 1965 supplement, is \$49,024,000. This estimated cost includes about \$237,000 nonreimbursable investigation costs obtained from the Colorado River development fund. For the total project, the estimated cost would be \$81,003,000. Both estimates are based on construction costs as of April 1963.

Annual operation, maintenance, and replacement costs for the project without the fishery facility are expected to vary from \$550,000 in the first year of operation to \$1,457,000 in 20 years at full development of the first stage and \$3,381,000 when all three stages are operated to capacity.

The economic evaluation of this proposed water supply project for a 100-year period of analysis as presented in the April 1965 supplement indicates that the estimated total benefits would exceed the average annual costs in the ratio of 1.5 to 1 for the first stage and 1.6 to 1.0 for the ultimate project.

All of the project investment costs for the first stage of development would be allocated to municipal and industrial water supply and would total \$50,721,000, which includes \$1,934,000 interest during construction and would be reimbursable by the water users. The plan for repayment of the first-stage development presented in the April 1965 supplement provides for return of the investment costs with $3\frac{1}{8}$ percent interest over a 50-year period from water sales at a rate decreasing from about 13 cents per thousand gallons during the first year of operation to about 9 cents per thousand gallons at the end of the repayment period when the volume of deliveries will be much larger. The investment costs for the second and third stages could be repaid with interest at the current rate during the respective 50-year repayment period of each at reduced water rates as compared to the first stage only.

The State of Nevada has designated the Colorado River Commission of Nevada as the State agency to sponsor, contract with the United States for repayment of project costs, and operate and maintain the proposed project. In this connection, one of the recommendations of the regional director is that congressional legislation to authorize construction of the project include authority for the Secretary of the Interior to contract with the Colorado River Commission of Nevada. Such legislation would negate the present requirement of the Boulder Canyon Project Act, as interpreted by the Supreme Court in *Arizona v. California*, that the Secretary contract directly with the ultimate water users rather than with an intermediary State agency.

The Southern Nevada water supply project is one of the features of the Pacific Southwest water plan proposed for initial development. A supplemental information report to the Depart-

ment's report on the Pacific Southwest water plan covering this project was prepared in January 1964. That report was substantially identical to the attached regional director's feasibility report of August 1963. Copies of the report were transmitted on January 17, 1964, to the States of the Colorado River Basin and interested Federal agencies for review as required by law and the procedures approved by the President on May 15, 1962. Copies¹ of the comments received are attached to and made part of this report.

Of the comments received, only those of the State of Nevada and the Department of Health, Education, and Welfare specifically referred to the Southern Nevada water supply project. All of the State of Nevada's recommendations concerning the supplemental information report as well as the State's earlier recommendations relating to this project as included in the Pacific Southwest water plan have been adopted in this report. The Department of Health, Education, and Welfare reaffirmed comments included in its report which was appended to the regional director's report of August 1963.

Under the Housing and Home Finance Agency program, loans are available to municipalities to finance the construction of water conveyance and distribution systems. The current interest rate required for repayment of such loans is about 4 percent. Although the Southern Nevada water supply project would not qualify for a loan under the HHFA program, analyses are attached¹ hereto of the payout requirements for the first stage and for the ultimate project based on use of a 4-percent interest rate. The water rate would vary from about 15 cents per thousand gallons in the early repayment years to about 10 cents per thousand gallons in the latter years of the repayment period for the first stage. These rates are considered well within the repayment capacity of the water users. The benefit-cost analysis would be unaffected by use of a 4-percent interest rate for repayment purposes. Thus the project would remain financially feasible and economically justified under this circumstance.

The plan of development, as presented herein, is engineeringly feasible and economically justified. I therefore concur in and adopt the recommendations of the regional director as set forth in his supplement of April 1965.

I recommend that you approve and adopt this report as your report on the Southern Nevada water supply project, Nevada, and that you transmit it, together with the attached documents, to the President and subsequently to the Congress in accordance with the Reclamation Project Act of 1939.

Respectfully,

FLOYD E. DOMINY,
Commissioner.

Approved and adopted May 11, 1965.

STEWART L. UDALL,
Secretary of the Interior.

¹ Excluded from this publication.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., May 11, 1965.

The PRESIDENT,
The White House, Washington, D.C.
(Through Bureau of the Budget.)

DEAR MR. PRESIDENT: My report on the Southern Nevada water supply project, Nevada, is transmitted herewith pursuant to section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187) and section III-E-3 of the procedures approved by the President on May 15, 1962 (S. Doc. 97, 87th Cong.).

The Southern Nevada water supply project is a municipal and industrial water resource development located in Clark County, southeastern Nevada. The project plan includes the intake, pumping, conveyance, regulatory, and storage facilities that would be required to deliver water from Lake Mead to the cities of Las Vegas, North Las Vegas, Henderson, and Boulder City; the Nellis Air Force Base; and potential municipal and industrial developments in the area.

The report recommends authorization of a three-stage plan of development with the first stage to be constructed immediately and additional stages to be constructed when the incremental plant capacity is required. The estimated costs of construction on the basis of April 1963 price levels are \$49,024,000 for the first stage and \$81,003,000 for the ultimate project. The benefit-cost ratios are 1:5 for the first stage and 1:6 for the ultimate project.

The planning report on the Southern Nevada water supply project was transmitted to the affected States and interested Federal agencies for review as a supplement to my report on the Pacific southwest water plan, as required by law and the procedures approved by the President on May 15, 1962. None of the comments received are in opposition to the proposed project. Copies of the comments received are attached to the report.

Attached to the report of the Commissioner of Reclamation are analyses of the repayment requirements of the first stage and ultimate Southern Nevada water supply project based on an interest rate of 4 percent. This is the interest rate currently applicable to loans made under the Housing and Home Finance Agency program for construction of facilities similar to those of the Southern Nevada water supply project. The project is financially feasible and economically justified on this basis. Under the Boulder Canyon Project Act only a nominal charge is imposed for the storage and head provided by Lake Mead. Therefore, it is thought appropriate that the interest rate for the Southern Nevada water supply project be determined on the basis of the standards applicable to loans for municipal water conveyance and distribution facilities constructed under the Housing and Home Finance Agency program rather than on the basis of the formula specified by the Water Supply Act of 1958.

I recommend that the Southern Nevada water supply project, Nevada, be authorized for construction as presented in the en-

closed report, modified only to establish 4 percent as the interest rate for repayment purposes. I shall appreciate your advice concerning the relationship of this project to your program before the report is transmitted to the Congress for its consideration and appropriate action as provided by the Reclamation Project Act of 1939.

Sincerely yours,

STEWART L. UDALL,
Secretary of the Interior.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., May 13, 1965.

Hon. STEWART L. UDALL,
Secretary of the Interior,
Washington, D.C.

DEAR MR. SECRETARY: This is in reply to your letter of May 11, 1965, transmitting your proposed report on the Southern Nevada water supply project, Nevada, and requesting advice as to the relationship of the proposed project to the program of the President.

The Southern Nevada water supply project would provide municipal and industrial water to the cities of Las Vegas, North Las Vegas, Henderson, Boulder City, and Nellis Air Force Base. The project is essentially a single-purpose municipal and industrial water supply development to convey waters stored in Lake Mead for use by these communities in Clark County, Nev., through a system of pipelines and related facilities. The total project would cost approximately \$81 million, of which \$49 million would be the cost of the first stage to be developed initially. The benefit-cost ratios for the total project and the first stage are estimated at 1.6 and 1.5 to 1, respectively, over 100 years.

Federal assistance in the financing and construction of single-purpose municipal and industrial water supplies for local communities falling under the statutory population limitations is ordinarily provided through the program of the Community Facilities Administration. We believe, however, that the Southern Nevada water supply project is a special case where construction should be undertaken by the Bureau of Reclamation as proposed in your report in view of the unique role of the Department of the Interior in the Colorado River Basin and the \$283,000 already invested by the Bureau of Reclamation in planning the project.

However, if the project is undertaken as a Federal reclamation project, we believe it is essential that the interest rate used in repayment of the Federal investment be the same as that which would apply if the Federal investment were financed by the Community Facilities Administration. The current rate for Community Facilities loans is 4 percent—somewhat higher than that which would apply if repayment were made under the Water

Supply Act of 1958. For reasons noted below, the 4-percent rate is fully justified.

If the Southern Nevada water supply project were constructed today—or had been originally included in a multiple-purpose project—the project beneficiaries would be required to pay interest on deferred storage and, in addition, to repay a share of the joint cost of the reservoir. This has been the basis for repayment in other cases where the Federal Government has provided municipal and industrial supply pipelines, such as the Norman project in Oklahoma and the Canadian River project in Texas.

We also note local communities elsewhere in the Nation have generally financed municipal and industrial water supply developments of the kind proposed in the Southern Nevada water supply project by the sale of bonds on the private market. It is our understanding that the interest rate that would be charged a public body in Nevada for loans to finance municipal and industrial water supply facilities would probably be 4 percent or possibly higher if the project were financed privately. It is most uncertain, in fact, that the private market would finance a 50-year loan for this project. We believe, therefore, that repayment of the water supply costs at a 4-percent rate represents an equitable arrangement from the point of view of local interests, as well as the Federal Government, one that is in keeping with the view of the State of Nevada that it is desirous of repaying all costs of the Southern Nevada water supply project with interest.

Accordingly, you are advised that there would be no objection to the submission of the report to the Congress. However, no commitment can be made at this time as to when any estimate of appropriation would be submitted for construction of the project, if authorized by the Congress, since this would be covered by the President's budgetary objectives as determined by the then prevailing fiscal situation.

Sincerely,

ELMER B. STAATS,
Deputy Director.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., May 15, 1965.

Hon. JOHN W. MCCORMACK,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: As provided by section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187), transmitted herewith is my report on the Southern Nevada water supply project, Nevada.

The report presents a plan of development to supply municipal and industrial water to communities in southeastern Nevada from

Lake Mead on the Colorado River. The plan has engineering feasibility and is economically justified.

A planning report on this project, as a supplement to the proposed Pacific Southwest water plan, was transmitted on January 17, 1964, to the States of the Colorado River Basin, the Secretary of the Army, and the interested Federal agencies for review as required by law and the procedures approved by the President on May 15, 1962. Copies of the review comments received are attached to the report.

The report and copies of the comments received were submitted to the President on May 11, 1965. Enclosed is a copy of a letter dated May 13, 1965, from the Deputy Director of the Bureau of the Budget advising that there would be no objection to the submission of the report to the Congress.

I recommend that construction of the Southern Nevada water supply project, Nevada, be authorized.

Sincerely yours,

STEWART L. UDALL,
Secretary of the Interior.

AUTHORIZING ACT

An act to authorize the Secretary of the Interior to construct, operate, and maintain the Southern Nevada water project, Nevada, and for other purposes. (Act of October 22, 1965, 79 Stat. 1068, Public Law 89-292.)

SEC. 1. [Authorization.] That the Secretary of the Interior is authorized to construct, operate, and maintain the Southern Nevada water project, Nevada, in accordance with the Federal reclamation laws (Act of June 17, 1902; 32 Stat. 388, and Acts amendatory thereof or supplementary thereto), except as those laws are inconsistent with this Act, for the principal purpose of delivering water for municipal and industrial use. The principal features of the Southern Nevada water project shall consist of intake facilities, pumping plants, aqueduct and laterals, transmission lines, substations, and storage and regulatory facilities required to provide water from Lake Mead on the Colorado River for distribution to municipalities and industrial centers within Clark County, Nevada.

SEC. 2. (a) [Project costs, allocations.] The Secretary shall make appropriate allocations of project costs to municipal and industrial water supply and, if appropriate, to fish and wildlife and recreation: *Provided*, That all operation and maintenance costs for the Southern Nevada water project shall be allocated to municipal and industrial water supply. Construction costs of the River Mountains dam and reservoir allocated to fish and wildlife and recreation shall be nonreimbursable in accordance with the Federal Water Project Recreation Act (79 Stat. 213).

(b) [**Repayment; interest rate.**] Allocations of project costs made to municipal and industrial water supply shall be repayable to the United States in not more than fifty years under either the provisions of the Federal reclamation laws or under the provisions of Water Supply Act of 1958 (title III of Public Law 85-500, 72 Stat. 319 and Acts amendatory thereof or supplementary thereto): *Provided*, That, in either case, repayment of costs allocated to municipal and industrial water supply shall include interest on the unamortized balance of such allocations at a rate equal to the average rate (which rate shall be certified by the Secretary of the Treasury) paid by the United States on its marketable long-term securities outstanding on the date of this Act and adjusted to the nearest one-eighth of 1 per centum.

SEC. 3. (a) [**Contract.**] The Secretary is authorized to enter into a contract with the State of Nevada, acting through the Colorado River Commission of Nevada or other duly authorized State agency, for the delivery of water and for repayment of the reimbursable construction costs.

(b) [**Construction, commencement.**] Construction of the project shall not be commenced until a suitable contract has been executed by the Secretary and the Colorado River Commission or other duly authorized State agency.

(c) Such contract may be entered into without regard to the last sentence of section 9, subsection (c), of the Reclamation Project Act of 1939.

(d) [**Transfer of operation, etc.**] Upon execution of the contract referred to in section 3(a) above, and upon completion of construction of the project, the Secretary shall transfer to said Colorado River Commission of Nevada or other duly authorized State agency the care, operation, and maintenance of the intake, pumping plants, aqueducts, reservoirs, and related features of the southern Nevada water project upon the terms and conditions set out in the said contract.

(e) [**Permanent right of State to use of features.**] When all of the costs allocable to reimbursable purposes incurred by the United States on constructing, operating, and maintaining the project, together with appropriate interest charges, have been returned to the United States by the State of Nevada, said State shall have the permanent right to use the intake, pumping plants, aqueducts, reservoirs, and related features of the Southern Nevada water supply project in accordance with said contract.

SEC. 4. [**Nonreimbursable costs.**] Such amount of the costs of construction as are allocated to the furnishing of a water supply to Nellis Air Force Base or other defense installations shall be nonreimbursable.

SEC. 5. [**Colorado River system, water diversion.**] The use of all water diverted for this project from the Colorado River system shall be subject to and controlled by the Colorado River compact, the Boulder Canyon Project Act (45 Stat. 1057; 43 U.S.C. 617t), and the Mexican Water Treaty (Treaty Series 994) (59 Stat. 1219).

SEC. 6. [Water rights, intrastate priorities.] In all water supply contracts for the use of water in Nevada under this Act or section 5 of the Boulder Canyon Project Act (45 Stat. 1057) the Secretary shall recognize the intrastate priorities of water rights to the use of water existing on the date of enactment of this Act: *Provided, however,* That nothing in this Act shall be construed as validating any right diminished or lost because of abandonment, nonuse, or lack of due diligence, nor shall anything in this Act be construed as affecting the satisfaction of present perfected rights as defined by the decree of the United States Supreme Court in *Arizona against California et al.* (376 U.S. 340).

SEC. 7. [Appropriation authorized.] There is hereby authorized to be appropriated for construction of the Southern Nevada water project, Nevada, the sum of \$81,003,000 (September 1965 prices) plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indexes applicable to the types of construction involved herein.

AMEND PROJECT ACT

An act to amend section 6 of the Southern Nevada Project Act (Act of October 22, 1965; 79 Stat. 1068). (Act of July 19, 1966, 80 Stat. 312, Public Law 89-510.)

[Southern Nevada Project Act, amendment.] That section 6 of the Southern Nevada Project Act (Act of October 22, 1965; 79 Stat. 1068) is hereby amended to read as follows:

“SEC. 6. [Rights of Basic Management, Inc.] The contract for delivery of water and repayment of reimbursable construction costs of the Southern Nevada Water Project required by section 3 of this Act shall provide that if, within five years from the date of this Act, Basic Management, Inc., or its assignees applies for a contract for the storage and delivery of water in accordance with the provisions of section 5 of the Boulder Canyon Project Act (45 Stat. 1060, as amended; 43 U.S.C. 617d) and the regulations of the Secretary of the Interior issued pursuant to said Act, the rights of the party contracting pursuant to section 3 of this Act shall be subordinate to those of Basic Management, Inc., or its assignees to the extent of 41,266 acre-feet per annum or so much thereof as is required for beneficial consumptive use by it, its right to the storage and delivery of the same having been properly maintained in accordance with the terms of its contract. Nothing contained in this Act shall be construed as affecting the satisfaction of present perfected rights as defined by the decree of the United States Supreme Court in *Arizona v. California*, 367 [Sic.¹] U.S. 340.”

¹ 376 U. S. 340.

SPOKANE VALLEY PROJECT

WASHINGTON-IDAHO

The Spokane Valley project feasibility report was transmitted by the Secretary of the Interior to the Congress on March 12, 1958 (House Document No. 352, 85th Cong.). Construction was authorized by act of Congress on September 16, 1959 (73 Stat. 561), as amended by act of September 5, 1962 (76 Stat. 431).

DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., December 3, 1957.

THE SECRETARY OF THE INTERIOR.

SIR: This is my report on the Spokane Valley project, Washington-Idaho. It is based on and includes the proposed report, which you approved and adopted on March 15, 1957.

The project lands, consisting of 10,290 acres, are along the Spokane River east of Spokane, Wash. The general plan is to provide a ground water supply for 8,370 acres, presently irrigated by a badly deteriorated surface supply system diverting out of the Spokane River. The remaining 1,920 acres do not now receive water and would also be supplied by ground water pumping. All project costs are allocated to irrigation and are considered reimbursable.

Copies of your proposed report were transmitted on March 25, 1957, to States of the Columbia River Basin and to the Secretary of the Army in accordance with section 1(c) of the Flood Control Act of 1944 (58 Stat. 887) and to the State of Washington for comments from the head of the agency exercising administration over the wildlife resources of that State in accordance with the provisions of the act of August 14, 1946 (60 Stat. 1080). Copies of the report were also furnished agencies represented on the Inter-Agency Committee on Water Resources for their review and comment.

Comments have now been received from the States of Washington, Idaho, Montana, Nevada, Oregon, and Wyoming and the Departments of the Army, Agriculture, Commerce, Labor, and Health, Education, and Welfare. The comments were favorable or offered no objection. The officials of the State of Washington, in which State over 98 percent of the project lands is located, commented that they are fully in accord with the Federal plan of coordinating the various irrigation districts with a Federal pro-

ject. Copies of all comments received are attached¹ and any additional ones received in the future will be forwarded through you to the President and the Congress.

The original report of the regional director, which was based on October 1955 price levels, indicated that all project costs could be repaid by the water users in a 50-year period. Since that time rising costs both for construction and for operation and maintenance have increased estimated project costs to the point where a substantially greater rate of annual payment would be required to repay those costs in 50 years. When and if Federal construction of the Spokane Valley project is undertaken, a reappraisal of costs and repayment ability should be made at that time and a repayment period established in light of such a reappraisal. In no event should the repayment period exceed 60 years.

Accordingly, I recommend that, with provision for reappraisal of costs and repayment ability at the time of construction and the fixing of a repayment period of not to exceed 60 years, you approve and adopt this report as your report on the Spokane Valley project, Washington and Idaho, and that you transmit it together with the attached comments to the President and subsequently to the Congress in accordance with the Reclamation Project Act of 1939.

Sincerely yours,

E. G. NIELSEN,
Acting Commissioner.

Approved and adopted December 24, 1957.

FRED A. SEATON,
Secretary of the Interior.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., December 24, 1957.

The PRESIDENT,
The White House
Washington, D.C.

Through: Bureau of the Budget.

DEAR MR. PRESIDENT: My report on a plan of development for the potential Spokane Valley project, Washington-Idaho, is transmitted herewith under provisions of section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187).

The Spokane Valley project is located along the Spokane River east of the city of Spokane. It consists of lands in seven existing irrigation districts in the State of Washington plus a small area in Idaho. The plan is to supply irrigation water to 10,290 acres of land by pumping from ground water. Of the total, 8,370 acres are currently being irrigated by diverting from the Spokane River. The present irrigation system is deteriorated and in need of major repairs.

¹ Excluded from this publication.

The estimated cost based on July 1957 prices is \$5,016,000. It is all allocated to irrigation and thus is reimbursable. A substantial portion of the project consists of land holdings involving small acreages, and the return of project costs is dependent to some extent on repayment willingness. While the water users indicated a willingness to repay project costs within 50 years on the basis of 1955 price levels, on which the project was originally formulated, cost increases over the past 2 years have been such as to raise a question concerning the reasonableness of requiring payout in 50 years. Because of this and the likelihood of still further cost increases prior to actual construction, authorizing legislation might well provide for extension of the repayment period up to a maximum of 60 years should such a period appear desirable at the time actual construction costs are known and related to reasonable repayment requirements.

The proposed report was transmitted to the affected States and the Secretary of the Army in accordance with law. It was also sent to other interested Federal agencies for review and comment. Copies of all comments received are enclosed with my report. The reviewers either favored the project or offered no objection to its authorization and construction.

It is recommended that the Spokane Valley project be authorized as set forth in the accompanying report. Advice would be appreciated concerning the relationship of the potential Spokane Valley project to your program prior to submitting the planning report to the Congress for its consideration and appropriate action in accordance with the provisions of the Reclamation Project Act of 1939.

Sincerely yours,

FRED A. SEATON,
Secretary of the Interior.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., January 27, 1958.

The Honorable the SECRETARY OF THE INTERIOR.

MY DEAR MR. SECRETARY: Your letter of December 24, 1957, transmitted your report on a plan of development for the Spokane Valley project in Washington and Idaho.

This project is located just east of Spokane and would provide for irrigation of 10,290 acres of land, of which 8,370 are presently irrigated. It is mostly a suburban, part-time farming development involving 2,505 ownerships with an average size holding of a little over 4 acres. The proposed plan of improvement provides for replacement of the badly deteriorated privately constructed surface supply system diverting out of the Spokane River with a Federally constructed system designed to pump ground water from wells and convey water through steel pipelines under pressure for sprinkler irrigation.

The regional director of the Bureau of Reclamation estimates the total cost at \$4,280,000 and the annual cost at \$234,270 on the basis of 1955 price levels and a 50-year analysis period. He also estimates the direct annual benefits at \$268,550 and the annual benefits of an indirect nature at \$173,310. The benefit-cost ratio is stated to be 1.15 using direct benefits only and 1.89 using total benefits. He states that the water users have indicated a willingness to repay these project costs, which are wholly reimbursable, within 50 years.

Your letter states that the estimated total cost on the basis of 1957 price levels has increased to \$5,016,000, and that, in the light of this cost increase and the likelihood of still further cost increases prior to actual construction, authorizing legislation might well provide for extension of the repayment period up to a maximum of 60 years. However, we have been advised informally by the Bureau of Reclamation that there has been an increase in the annual benefits commensurate with the higher annual cost and that the above stated benefit-cost ratios would be substantially unchanged. In view of the close relationship between direct benefits and repayment ability, it would appear that the water users should be able to repay the higher costs within a 50-year period, particularly in view of the suburban nature of the project and the off-farm income available to the water users.

Accordingly, the Bureau of the Budget believes that the repayment period for the Spokane Valley project should not exceed 50 years. If there is valid doubt that, because of increased costs, the water users would be unable or unwilling to execute contracts on the basis of a 50-year repayment period, we would recommend that authorization be deferred. If, however, the project is favorably considered for authorization by the Congress, the Bureau of the Budget would recommend that the legislation include a provision requiring repayment of all project costs within a period not exceeding 50 years.

Subject to consideration of the above comments and recommendation, there would be no objection to the submission of the report to the Congress. No commitment, however, can be made at this time as to when any estimate of appropriation would be submitted for construction of the project, if authorized by Congress, since this will be governed by the President's budgetary objectives as determined by the then prevailing fiscal situation.

It would be appreciated if a copy of this letter accompanied the report when it is submitted to the Congress.

Sincerely yours,

ROBERT E. MERRIAM,
Assistant Director.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., March 12, 1958.

Hon. SAM RAYBURN,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: My report on the Spokane Valley project, Washington, is transmitted herewith pursuant to the provisions of section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187).

The plan recommended proposes a substitute water supply by pumping from ground water to irrigate 8,370 acres of land now receiving water through the means of an obsolete gravity diversion system. In addition, ground water pumping would provide a supply for 1,920 acres not now irrigated. The lands are contained in seven irrigation districts in the State of Washington just east of the city of Spokane and in a small area in Idaho. The estimated cost of \$5,016,000 based on July 1957 prices, is all allocated to irrigation and is reimbursable. It is believed this can be repaid in a 50-year period. Irrigation is the only function of the project, and the ratio of total benefits to Federal costs over a 50-year period is 1.87 to 1. The ratio of direct benefits only to Federal costs over the same period is 1.14 to 1. These indicate that the potential development is economically justified.

Copies of the proposed report of the Secretary of the Interior were transmitted to officials of the States of Idaho, Montana, Nevada, Oregon, Utah, Washington, and Wyoming and to the Secretary of the Army for their views and recommendations in accordance with the provisions of section 1 of the Flood Control Act of December 22, 1944, and to the agencies represented on the Inter-agency Committee on Water Resources for their information and comments. Comments have been received from the States of Washington, Idaho, Montana, Nevada, Oregon, and Wyoming and from the Departments of the Army, Agriculture, Commerce, Labor, and Health, Education, and Welfare. Copies of these comments are enclosed with the report.

The report and copies of all comments were transmitted to the President via the Bureau of the Budget. Enclosed is a copy of the letter of comments of January 27, 1958, from Assistant Budget Director Robert E. Merriam, in which he states the belief that the costs of the Spokane Valley project should be repaid within a 50-year period.

I concur, in general, with the views of the Bureau of the Budget. Based on the cost estimates presented in my report, I believe that such a repayment requirement is reasonable and can be met by the prospective water users. Should, however, construction costs continue to rise, the actual costs of construction might be such as to require significantly greater annual payments for payout in 50 years than those presented in my report and might exceed the amounts that the irrigators would be willing to undertake. In that event the project would not appear feasible from a

repayment standpoint unless the Congress provides for a repayment period in excess of 50 years.

Sincerely yours,

FRED A. SEATON,
Secretary of the Interior.

AUTHORIZING ACT

An act to authorize the Secretary of the Interior to construct, operate, and maintain the Spokane Valley project, Washington and Idaho, under Federal reclamation laws. (Act of September 16, 1959, 73 Stat. 561, Public Law 86-276.)

SEC. 1. [Construction authorized.] That, for the purpose of providing water for the irrigation of approximately ten thousand three hundred acres of land along and near the Spokane River in the eastern part of the State of Washington and the western part of the State of Idaho, the Secretary of the Interior is authorized to construct, operate, and maintain the Spokane Valley Federal reclamation project. The principal engineering features of said project shall consist of wells, pumps, storage facilities, and distribution systems.

SEC. 2. [Reclamation laws govern.] In constructing, operating, and maintaining the Spokane Valley project, the Secretary shall be governed by the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto), except that (1) he may extend the base period of any contract entered into under section 9, subsection (d), of the Reclamation Project Act of 1939 (53 Stat. 1187, 1193; 43 U.S.C. 485h(d)), as amended, to not more than fifty years, exclusive of a development period if he finds such to be proper, (2) the amount to be repaid during said base period shall be not less than \$4,400,000, (3) the remaining reimbursable cost of the project, except for such parts thereof as may be returned under temporary water supply contracts or from other sources, shall be accounted for in the same manner as provided in item (c) of section 2 of the Act of July 27, 1954 (68 Stat. 568), and (4) he may, upon the request of any contracting entity, transfer to it the care, operation, and maintenance of those project works which serve it alone or, upon the request of two or more contracting entities, transfer to them or to any agency designated by them and satisfactory to him the care, operation, and maintenance of those project works which serve them, all on terms and conditions satisfactory to him.

SEC. 3. [Appropriations authorized.] There is hereby authorized to be appropriated for construction of the Spokane Valley project the sum of \$5,100,000 plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in the costs of construction as indicated by engineering cost indexes applicable to the type of construction involved herein. There are also authorized to be appropriated such sums as may be required for the operation and maintenance of said works.

MUNICIPAL AND INDUSTRIAL WATER SUPPLY

UNITED STATES DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington 25, D.C., September 11, 1961.

Hon. CLINTON P. ANDERSON,
*Chairman, Committee on Interior and Insular Affairs,
United States Senate,
Washington 25, D.C.*

DEAR SENATOR ANDERSON: This responds to your request for the views of this Department on S. 2008, a bill "To amend the Act of September 16, 1959 (73 Stat. 561, 43 U.S.C. 615a), relating to the construction, operation, and maintenance of the Spokane Valley project."

We recommend that the bill be enacted, if amended as suggested herein.

The Spokane Valley project was authorized by the Act of September 16, 1959, Public Law 86-276 (73 Stat. 561). The authorized plan of the development provided for the irrigation of 10,290 acres of land comprising seven irrigation districts near Spokane, Washington, and a small adjacent area in Idaho. This area is now served a gravity supply of irrigation water by direct diversion from the Spokane River through a system of canals and flumes which in part are in a seriously deteriorated condition and subject to failure at any time. Construction of the Spokane Valley project was authorized to alleviate this situation. The plan of development involved a closed pipe pressure system, using ground water in lieu of the present surface water supply for the sprinkler application of water. The construction cost was estimated at \$5,100,000, all of which was allocated to irrigation. Of this total, \$4,400,000 was to be repaid by the irrigators, and power revenues from the Chief Joseph Dam project were to be utilized to repay the remaining \$700,000.

Following authorization, some of the owners of project lands decided against participation in the project, feeling that they could obtain their irrigation water through their own resources at a lower cost.

The \$4,400,000 repayment amount specified in Public Law 86-276 was determined on the basis that 10,290 acres would participate in the project. With a reduction in project acreage, sufficient funds would not be available to repay this amount. As a result, amendment of the project legislation is necessary.

Upon reconsideration of the needs of the area, it was concluded, in collaboration with local interests, that municipal water supply should be made a function of the project. This requires amending the authorizing legislation, since Public Law 86-276 provides only for a single-purpose irrigation project.

Meetings were held with local interests to determine what future course of action to take, to seek advice on what development

was wanted and would be supported, and to instigate the formation of one over-all irrigation district covering the remaining project lands which would be responsible for negotiations with the Federal Government. As a result of these efforts, the Consolidated Irrigation District was formed in January 1961 by the overwhelming vote of 690 for and 46 against, and a new project plan has been evolved.

As originally designed, the project plan calls for the use of bare steel pipe. Recent experience and study on the part of the Bureau of Reclamation in the general project area demonstrates the vulnerability of this pipe to corrosion, and indicates that a covered pipe should be used. It has been concluded that the proper design requires the use of a mortar-lined and coated steel pipe or asbestos-cement pipe. Such an improved pipe, and other changes presently contemplated, would result in increased project costs, but at the same time materially add to the life of the distribution system and result in lower operating costs. Accordingly, the ceiling on appropriations for the Spokane Valley project specified in Public Law 86-276 must be increased.

The basic project pipeline systems were designed for the delivery of irrigation water. The design criteria were reviewed considering the trend toward subdivision of the project lands. Improvements in the authorized plan are required to adapt the systems to municipal use, and possible future industrial use, including interconnections between systems to permit more economic pumping during the nonirrigation season, provision of 6-inch minimum pipe size, and other changes to improve the flexibility and efficiency of the systems.

The original plan of development contemplated that irrigation pumping power would be purchased from the Washington Water Power Company. The present plan contemplates that power for irrigation water pumping would be purchased from the Bonneville Power Administration under provisions of the Chief Joseph Dam project authorizations, specifically section 2 of the Act of July 27, 1954 (68 Stat. 568). Use of this provision of law would substantially reduce the annual power cost of the project and enhance the repayment aspects. The power for pumping municipal water supplies would be obtained from BPA at commercial rates applicable to this type of load.

The revised plan of development would provide irrigation service to a total of 7,250 acres of which 6,792 acres were included in the originally authorized plan. The remaining 458 acres are presently dry lands which have been taken into the newly formed Consolidated Irrigation District. All of the lands have been covered by a detailed land classification survey and are suitable for irrigation or homesite use.

Ground water from the aquifer underlying the valley would be the source of water for the revised plan, as it was under the authorized plan. The supply is more than ample for the needs of the project. Water from this source is of excellent quality for irrigation and is being used without chlorination by over 30 domestic

systems in the Spokane Valley. However, should the need for chlorination arise, necessary facilities could be provided by the district without difficulty. Under State law, the Spokane County Health Department, in cooperation with the State Department of Health conducts continuous surveys of all public water systems in the valley to insure that all water for human consumption will be potable.

The project annual water requirements are estimated to be 18,420 acre-feet, of which 18,060 acre-feet are for irrigation and 360 acre-feet for municipal water supply in the initial years of project operation. The combined water requirements for these two purposes are expected to remain essentially constant over the repayment period. Projected future increases in municipal water requirements will be offset by reductions in irrigation requirements as the area becomes more highly subdivided and more land is devoted to nonwater-consuming uses.

The project water supply would be pumped from the ground-water aquifer into separate systems for each of 10 areas comprising the newly formed Consolidated Irrigation District. Each system would consist of one or more wells, multiple pumping units, and an elevated tank reservoir. The capacity of the main trunk irrigation system would be adequate to provide municipal water, which would be distributed through separate systems by tapping the main supply lines at controlled points. The municipal water distribution systems are not a part of the project plan and would be added by the district as need develops. The plan includes the cost of facilities to distribute Federal power to project pumps, but these transmission lines would not be constructed if suitable wheeling arrangements can be made.

The estimated cost of project facilities, based on January 1961 prices is \$7,178,000.

Annual operating costs for the project will increase as the project area becomes more highly subdivided and the number of irrigation turnouts and municipal water service increases. Annual costs of operation, maintenance, replacements, and pumping power are estimated at \$81,300 initially and \$117,600 after 50 years of project operation.

Irrigation agriculture is the dominant use of the 7,250 acres of land in the Consolidated Irrigation District. However, the location of project lands in relation to the City of Spokane has had a very strong influence on the agricultural economy which has developed. The areas most distant from Spokane are utilized primarily for full-time farming operations. Those close to Spokane and major transportation arterials are more highly subdivided into part-time farms and rural homesite units. About 20 percent of the irrigable land is now devoted to fruit and truck crop production. Most of the remaining irrigated lands are planted to alfalfa, small grain and pasture. The principal agricultural use of lands in the urban areas is for gardens and berries.

A base charge of \$11.25 per acre annually and an annual service charge of \$20 per turnout is recommended for the Spokane

Valley project. This combination charge will permit a variable water assessment which will keep the cost of irrigation service on full-time farms within payment capacity and at the same time obtain payments from small tracts commensurate with the cost of providing irrigation service. Under this arrangement, the projected revenues from the irrigation water users will increase from \$115,500 in the first year of operation to \$181,800 in repayment year 31. No development period is considered necessary.

The municipal water supply would be furnished on the basis of a charge of \$20 annually per service. Revenues from this source are projected to increase from \$27,200 annually under initial conditions to a maximum of \$100,000 annually after year 30.

Benefits of the revised plan of development would exceed the associated costs in the ratio of 3.89 to 1 over a 100-year period of analysis. Using only direct benefits over a 50-year period of analysis, the ratio would be 1.20 to 1.

The cost of the proposed project is allocated between the irrigation and municipal water supply functions, using the separable cost-remaining benefits method. The results of this allocation are as follows:

Item	Irrigation	Municipal Water	Total
Capital costs	\$6,141,000	\$1,037,000	\$7,178,000
Interest during construction		54,000	54,000
Reimbursable cost	6,141,000	1,091,000	7,232,000
Annual operating costs (initial year)	68,880	12,420	81,300

The costs allocated to irrigation would be repayable without interest and the costs allocated to municipal water supply, including interest during construction, would be repayable with interest (an interest rate of 2.742 percent was used, consistent with recent enactments of the Congress). A 50-year repayment period would apply to both purposes.

A detailed payout study indicates that water users (including both irrigation and municipal) probably could repay \$5,963,000 of the reimbursable project costs, or 82 percent of the total. The irrigators could repay \$3,714,000 over the 50-year period. The municipal water users could repay \$1,091,000 allocated to municipal water supply, including interest on the unpaid capital investment, within 37 years. Through continuation of payments at the same level of charges for the remainder of the 50-year payout period, net revenues in the amount of \$1,158,000 would be available for financial assistance to irrigation. The Consolidated Irrigation District has expressed its willingness to contract with the United States for repayment on behalf of the irrigators and the municipal water users on this basis. Financial assistance in the amount of \$1,269,000 would be required from power revenues of the Chief Joseph Dam.

We recommend that the bill be amended as follows:

- (1) To clarify the intent of the bill, page 2, line 21, should

be amended by striking the word "may" and substituting therefor the word "shall".

(2) To properly reflect the cost of the project the figure "\$7,230,000" appearing on page 3, line 3, should be changed to read "\$7,232,000".

Enclosed is a statement¹ concerning estimated personnel and other requirements for the Spokane Valley project as required by P.L. 801, 84th Congress. We are also enclosing, at the request of the Bureau of the Budget, the Regional Director's Reappraisal Report¹ of this project.

The Bureau of the Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely yours,

KENNETH HOLUM,
Assistant Secretary of the Interior.

AMEND AUTHORIZING ACT

An act to amend the act of September 16, 1959 (73 Stat. 561; 43 U.S.C. 615s), relating to the construction, operation, and maintenance of the Spokane Valley project. (Act of September 5, 1962, 76 Stat. 431, Public Law 87-630.)

That the Act of September 16, 1959 (73 Stat. 561, 43 U.S.C. 615s), be amended as follows:

(a) By substituting in section 1 thereof the words "seven thousand two hundred and fifty" for the words "ten thousand three hundred" and by inserting the words "and for domestic, municipal, and industrial uses" after the words "the State of Idaho" in this same section.

(b) By amending section 2 to read as follows: "In constructing, operating, and maintaining the Spokane Valley project, the Secretary shall be governed by the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and acts amendatory thereof or supplementary thereto), except that (1) interest on the unpaid balance of the allocation to domestic, municipal, and industrial water supply shall be at a rate determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which construction is initiated, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations which are neither due nor callable for redemption for fifteen years from date of issue; and (2) the remaining cost of the project beyond the amount to be reimbursed or returned by the water users shall be accounted for in the same manner as provided in item (c) of section 2 of the Act of July 27, 1954 (68 Stat. 568), and power and energy required for irrigation pumping for the Spokane Valley project shall be made available in the same manner as provided for therein. The amount to be repaid by the

¹ Enclosures excluded from this publication.

irrigators shall be collected by the contracting entity through annual assessments based upon combination turnout and acreage charges and through the use of such other methods as it and the Secretary may agree upon."

(c) By deleting from section 3 thereof the figure "\$5,100,000" and inserting in lieu thereof the figure "\$7,232,000."

TETON BASIN PROJECT

IDAHO

LOWER TETON DIVISION

The Lower Teton Division of the Teton Basin Project was found feasible by the report of the Secretary of the Interior which was transmitted to the Congress on January 27, 1964 (House Document No. 208, 88th Cong.). It was authorized by act of Congress on September 7, 1964 (78 Stat. 925).

U.S. DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., March 25, 1963.

The SECRETARY OF THE INTERIOR.

SIR: This is my proposed report on the Lower Teton division, Teton Basin project, Idaho, which includes a plan for development of an initial stage of the division so that the most urgent requirements for this vitally needed water resources development may be promptly and efficiently realized. It is based on and includes the accompanying report of the regional director, Bureau of Reclamation, Boise, Idaho dated March 1962, and appended reports of the Fish and Wildlife Service, the National Park Service, the Bureau of Mines, and the Corps of Engineers, Department of the Army.¹

The Lower Teton division is located in the vicinity of the confluence of the Henrys Fork River and Teton River, which are tributaries of the Snake River, in Fremont and Madison Counties in southeastern Idaho.

Within this area some 114,000 acres of land are presently irrigated but are subject to annual shortages of irrigation water in late summer months. The area is also frequently flooded by spring runoff of the streams causing severe flood damages to lands and improvements both in the project area and in the highly developed upper Snake River area immediately downstream.

* * *

The Lower Teton division service area contains 151,400 acres of irrigable land. Of this total, 114,400 acres, mostly located in the Henrys Fork Valley, are in the Fremont-Madison Irrigation District and are presently irrigated. The machinery 37,000 acres of dry land are located on the higher lying Rexburg Bench adja-

¹ Excluded from this publication.

cent to the presently irrigated land and are devoted primarily to dryland wheat production. The Rexburg Bench lands, under the plan of development, would be furnished a full irrigation water supply, and it is anticipated that a cropping pattern similar to that on the existing Fremont-Madison Irrigation District would be adopted.

* * *

I conclude, therefore that the plans of development outlined in this report for both the initial stage and for the ultimate stage of the Lower Teton division are feasible and economically justified, that there now exists an urgent need for supplemental water supplies to presently irrigated lands and for flood protection, and that power and recreation benefits can be realized by construction of the initial stage, Lower Teton division, Teton Basin project.

I therefore, concur in and adopt the recommendations of the regional director as set forth in his special report of March 1962 with the exception of recommendation No. 2. In lieu of recommendation No. 2, I recommend as follows:

"(2) Fremont Dam, Reservoir, powerplant, irrigation facilities, and related works necessary to the initial stage of development of the Lower Teton division, Teton Basin project, be authorized for construction, operation, and maintenance by the Bureau of Reclamation in accordance with the reclamation laws (act of June 17, 1902, 32 Stat. 388 and acts amendatory thereof and supplementary thereto), substantially in agreement with the plan set forth in this report but with such modifications, omissions, or deletions as may be found proper and necessary by the Secretary of the Interior to carry out the plan; and that the ultimate plan of development as set forth in the regional director's report of March 1962 also be authorized for construction but not be constructed until a report demonstrating the availability of water supplies, as well as the feasibility and economic justification for the ultimate plan, is approved and adopted by the Secretary and transmitted to the Congress."

I recommend that you approve and adopt this report as your proposed report on the Lower Teton division, Teton Basin project, Idaho, and that you authorize me in your behalf to transmit copies of this report to the States of the Columbia River Basin and to the Secretary of the Army for review as required by the Flood Control Act of 1944 (58 Stat. 887), to the State of Idaho for the views and recommendations of the head of the agency exercising administration over the wildlife resources of that State as provided by the Fish and Wildlife Coordination Act (48 Stat. 401 as amended; 16 U.S.C. 661, et seq.), and to the other interested Federal agencies in accordance with interagency agreement.

Respectfully,

W. DARLINGTON DENIT,
Acting Commissioner.

Approved and adopted:

STEWART L. UDALL,

Secretary of the Interior.

U.S. DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., August 15, 1963.

The SECRETARY OF THE INTERIOR.

SIR: This is my report on the Lower Teton division, Teton Basin project, Idaho. It is based on and includes our proposed report on this division, which you approved and adopted as your proposed report on March 25, 1963.

Copies of the proposed report were transmitted on April 2, 1963, to the States of the Columbia River Basin and to the Secretary of the Army for review as required by the Flood Control Act of 1944 (58 Stat. 887), and to the State of Idaho for comments from the head of the agency exercising administration over the wildlife resources of that State as provided by the Fish and Wildlife Coordination Act. Copies of the report were also sent to the Federal departments and independent agencies interested in water resources projects for their review in accordance with Presidential instructions. Comments have been received from all of the recipients except the State of Wyoming. Copies of the comments are attached to, and made part of, this report.

The Governor of Idaho expresses his unqualified approval of the proposal and urges that funds be appropriated for its construction. He quotes also a memorial adopted by the Idaho State Legislature urging early consideration and construction of the project.

The State of Washington suggested that the entire division, not just the first stage, be built at this time. The compelling reasons for proposing stage development are set forth in the report. Should it appear feasible to proceed with the entire proposal in one stage, we would be prepared to do so.

The Chief of Engineers, Department of the Army, finds that the proposed plan would not conflict with any existing or authorized projects of the Corps of Engineers.

We are prepared, if necessary, to adjust the operation plan to accommodate the findings of the pending report of the Public Health Service regarding municipal water supplies and water quality control. The recommendations of the Service with regard to vector control will be handled in the course of designing, constructing, and operating the facilities.

The comments of the other States and Federal agencies were favorable or offered no objection to the Lower Teton division, and we conclude that no revision of our proposed report is necessary as a result of the reviews.

Subsequent to the release of the proposed report for review, however, the plan of development has been reanalyzed in light of the new "Policies, Standards, and Procedures in the Formulation, Evaluation, and Review of Plans for Use and Development of Water and Related Land Resources" approved by the President on May 15, 1962, and the interim criteria you prescribed for the evaluation of recreation and fish and wildlife benefits and allocation of costs to those purposes. Minor changes in land acquisition

for recreation and fish and wildlife are also reflected. The effect of the changes necessitated as a result of this reanalysis is not significant. The physical plan and basic data are unchanged. Only the financial and economic analyses differ from our proposed report.

A copy of the regional director's reevaluation statement dated March 1963 describing the effect of the reevaluation on our proposed plan of development is attached to and made a part of this report.¹ The effect of the reevaluation upon the allocation of construction costs and repayment is summarized below:

Item	Feasibility report, March 1962	Reanalysis, March 1963
Cost allocation:		
Irrigation	\$35,936,000	\$36,821,200
Power	7,587,000	7,110,000
Flood control	7,437,000	7,004,900
Fish and wildlife	913,000	1,005,200
Recreation	37,000	92,700
Total construction costs	51,910,000	52,034,000
Annual benefits	3,566,000	4,796,300
Annual equivalent Federal costs	1,907,000	2,099,000
Benefit-cost ratio	1.87-to-1	2.29-to-1
Irrigation repayment:		
Total reimbursable costs	\$35,936,000	\$36,821,200
Repaid by water users	20,335,000	20,358,500
Financial assistance	15,601,000	16,462,700

We are informed by the Treasury Department that application of the formula for determination of interest rates set forth in the President's instructions of May 15, 1962, will result in a rate of 3 percent in fiscal year 1964 in lieu of the 27/8 percent used in the reevaluation. This minor change in interest rate will have no substantial effect upon the analyses.

On May 21, 1963, the power marketing area of the Bonneville Power Administration was extended to include the upper Snake River Basin. The existing Federal hydroelectric powerplants in the upper Snake River Basin are now financially integrated with the Bonneville Power System, and the financial assistance to irrigation from power revenue for all Federal reclamation projects in the Snake River Basin will be derived from the integrated Bonneville system. Net revenues will be assigned from the Bonneville Power System as needed to meet the requirements of the Lower Teton division within the repayment period.

To the extent necessary to adopt the revised economic and financial analyses described herein and to adopt the enlarged Bonneville Power Administration System as the source of financial assistance to irrigation, our proposed report of March 25, 1963, is hereby modified.

I recommend that you approve and adopt this report as your report on the lower Teton division, Teton Basin project, Idaho, and that you transmit it, together with the attached comments and reevaluation statement¹ to the President and subsequently to the

¹ Excluded from this publication.

Congress in accordance with the Reclamation Project Act of 1939.

Respectfully,

FLOYD E. DOMINY,
Commissioner.

Approved and adopted September 6, 1963.

JOHN A. CARVER, Jr.,
Acting Secretary of the Interior.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., September 6, 1963.

The PRESIDENT,
The White House
Washington, D.C.

Through Bureau of the Budget.

DEAR MR. PRESIDENT: My report on a plan of development for the Lower Teton division, Teton Basin project, Idaho, is transmitted herewith pursuant to the Reclamation Project Act of 1939 (53 Stat. 1187).

The proposed plan provides for two-stage development of this multiple-purpose project. Major facilities of the first stage would consist of Fremont Dam, Reservoir, and powerplant on Teton River and necessary canals, wells, and appurtenant facilities to provide irrigation water to about 114,000 acres of land now irrigated but needing supplemental water. The second stage, to be built after problems of water exchanges among the affected water users have been solved, would consist of main canals and an irrigation distribution and drainage system to provide water for some 37,000 acres of irrigable lands which have no water supply at present. Both stages of the plan are feasible and economically justified, with benefits well in excess of costs. The first stage is urgently needed at this time, especially for the supplemental irrigation water supply and for flood protection to the downstream areas. The plan is strongly supported by local and State interests, and the repayment of costs allocated to irrigation and power functions is in prospect.

The proposed report was transmitted to the States of the Columbia River Basin and to the interested Federal departments and independent agencies for review as required by law and your instructions. Copies of the review comments received are attached to the report.

My final report presents the results of a reevaluation of the division to reflect the policies, standards, and procedures in the formulation, evaluation, and review of plans for use and development of water and related land resources approved by you on May 15, 1962.

I recommend that the plan of development for the Lower Teton division, Teton Basin project, Idaho, be authorized as set forth in my report.

I shall appreciate having advice concerning the relationship of the division to your program before transmitting the report to the Congress for its consideration and appropriate action as provided in the Reclamation Project Act of 1939.

Sincerely yours,

JOHN A. CARVER, JR.,
Acting Secretary of the Interior.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., January 16, 1964.

Hon. STEWART L. UDALL,
Secretary of the Interior,
Washington, D.C.

DEAR MR. SECRETARY: This is in reply to Acting Secretary Carver's letter of September 6, 1963, transmitting your proposed report on the Lower Teton division, Teton Basin project and requesting advice as to the relationship of the proposal to the program of the President.

It is noted that the Commissioner of Reclamation proposes deriving the necessary financial assistance to irrigation by assignment of net power revenues from the integrated Bonneville Power System as needed to meet project requirements within the repayment period. The Bureau of the Budget would expect that a request for funds to initiate construction of the project, if authorized by the Congress, would be accompanied by a current detailed analysis demonstrating the ability of the Bonneville Power System to furnish the necessary financial assistance to irrigation.

The administration has recommended the enactment of legislation, introduced as H.R. 9032, to provide uniform policies for cost sharing and reimbursement for recreation and fish and wildlife at water resource projects. We would expect that, prior to a request for construction appropriations, the costs of the Lower Teton division would be reallocated to conform with the then existing cost sharing and reimbursement policies for recreation and fish and wildlife.

Subject to the above comments, you are advised that there would be no objection to the submission of the report to the Congress. However, no commitment can be made at this time as to when any estimate of appropriation would be submitted for construction of the Lower Teton division, if authorized by the Congress, since this would be governed by the President's budgetary objectives as determined by the then prevailing fiscal situation.

Sincerely,

ELMER B. STAATS,
Deputy Director.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., January 27, 1964.

Hon. JOHN W. MCCORMACK,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: The report of the Secretary of the Interior on the Lower Teton division, Teton Basin project, Idaho, is transmitted herewith as provided by section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187).

The report presents a plan of development for a multiple-purpose water resource project, involving irrigation water supply to about 151,000 acres of land in southeastern Idaho, hydroelectric power generation, flood control, conservation and development of fish and wildlife resources, and recreation opportunities. A first stage of development is proposed to be built initially, consisting of Fremont Dam, Reservoir, and powerplant on Teton River, and facilities to provide supplemental irrigation water to 114,000 acres of the land in the Fremont-Madison Irrigation District. The second stage, to be built at some later date, would provide a full supply of irrigation water to some 37,000 acres of land which do not now have a water supply. The plan is engineeringly feasible and economically justified, and return to the United States of the costs allocated to the reimbursable functions of irrigation and power is assured.

The Secretary's proposed report on this project was transmitted to the affected States and interested Federal agencies for review as required by law and interagency agreement. All comments which have been received as a result of this review are attached to the report.

The report and copies of the comments received were submitted to the President on September 6, 1963. Enclosed is a copy of letter dated January 16, 1964, from the Deputy Director of the Bureau of the Budget. The letter states that subject to the comments therein concerning a request for funds to initiate construction of the project, if authorized by the Congress, there would be no objection to the submission of this report to the Congress.

It is recommended that construction of the Lower Teton division, Teton Basin project, Idaho, be authorized as set forth in the attached report.

Sincerely yours,

KENNETH HOLUM,
Assistant Secretary of the Interior.

AUTHORIZING ACT

An act to provide for the construction of the Lower Teton division of the Teton Basin Federal reclamation project, Idaho, and for other purposes. (Act of September 7, 1964, 78 Stat. 925, Public Law 88-583.)

SEC. 1. [Authorization.] That, in order to assist in the irrigation of arid and semiarid lands in the upper Snake River Valley,

Idaho, to provide facilities for river power opportunities created thereby and, as incidents to the foregoing purposes, to enhance recreational opportunities and provide for the conservation and development of fish and wildlife, the Secretary of the Interior is authorized to construct, operate, and maintain the Lower Teton division of the Teton Basin Federal reclamation project. The principal engineering features of the said project shall be a dam and reservoir at the Fremont site, a pumping plant, powerplant, canals and water distribution facilities, ground water development, and related facilities in the upper Snake River Valley, Idaho. In the construction, operation, and maintenance of the said project and project works the Secretary shall be governed by the Federal reclamation laws (Act of June 17, 1902 (32 Stat. 388), and Acts amendatory thereof and supplementary thereto). The project shall be operated consistent with the existing agreements as to storage rights in the Federal reclamation reservoirs in the upper Snake River Basin.

SEC. 2. [Construction costs, repayment.] The period provided in subsection (d) of section 9 of the Reclamation Project Act of 1939, as amended, for repayment of construction costs properly allocable to any block of lands and assigned to be repaid by the irrigators may be extended to fifty years, exclusive of a development period, from the time water is first delivered to that block, or as near that number of years as is consistent with the adoption and operation of a repayment formula as therein provided. Costs allocated to irrigation in excess of the amount determined by the Secretary to be within the ability of the irrigators to repay within a fifty-year period shall be returned to the reclamation fund from revenues derived by the Secretary from the disposition of power marketed through the Bonneville Power Administration and attributable to Federal projects in Idaho.

SEC. 3. (a) [Outdoor recreation facilities.] The Secretary is authorized to construct, operate, and maintain or otherwise provide for basic public outdoor recreation facilities, to acquire or otherwise to include within the division area such adjacent lands or interests therein as are necessary for public recreation use, to allocate water and reservoir capacity to recreation, and to provide for the public use and enjoyment of division lands, facilities, and water areas in a manner coordinated with the other division functions. The Secretary is authorized to enter into agreements with Federal agencies or State or local public bodies for the operation, maintenance, or additional development of division lands or facilities, or to dispose of division lands or facilities to Federal agencies or State or local public bodies by lease, transfer, conveyance, or exchange upon such terms and conditions as will best promote the development and operation of such lands and facilities in the public interest for recreation purposes. The costs of the aforesaid undertakings, including costs of investigation, planning, Federal operation and maintenance, shall be nonreimbursable. Nothing herein shall limit the authority of the Secretary granted by existing provisions of law relating to recreation development of water

resource projects or to disposition of public lands for recreation purposes.

(b) Costs of means and measures to prevent loss of and damage to fish and wildlife resources shall be considered as project costs and allocated as may be appropriate among other division functions.

SEC. 4. (a) [Water users contracts. Amendment authority.] The Secretary is authorized to amend contracts heretofore made under the Acts of September 30, 1950 (64 Stat. 1083), and of August 31, 1954 (68 Stat. 1026), whereby the water users assumed an obligation for winter power replacement based on the winter water savings program at the Minidoka powerplant to relieve the contractors ratably by one-third of that obligation, and to make new contracts under these Acts on a like basis. To the extent such annual obligations are reduced, the cost thereof shall be included in the cost to be absorbed by the power operations of the Federal power system in Idaho.

(b) The actual construction of the facilities herein authorized shall not be undertaken until at least 80 per centum of the conservation capacity in Fremont Reservoir is under subscription, nor until negotiations have been undertaken in accordance with the provisions of (a) of this section.

(c) **[Reports to President and Congress.]** No construction shall be undertaken on facilities of the Lower Teton division which are required solely to provide a full water supply to lands in the Rexburg Bench area until the Secretary has submitted his report and finding of feasibility on this phase of the division to the President and to the Congress.

SEC. 5. [Appropriation authorized.] There is hereby authorized to be appropriated for the construction of the Lower Teton division of the Teton Basin Federal reclamation project, the sum of \$52,000,000, plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indexes applicable to the types of construction involved therein, and, in addition thereto, such sums as may be required to operate and maintain said division.

THE DALLES PROJECT

OREGON

WESTERN DIVISION

The feasibility report for the Western Division of The Dalles project was transmitted by the Secretary of the Interior to the Congress on June 21, 1960 (H. Doc. No. 431, 86th Cong.). The Division was authorized for construction by act of Congress on September 13, 1960 (74 Stat. 882).

DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., May 24, 1960.

The SECRETARY OF THE INTERIOR.

SIR: This is my report on the Western division, The Dalles project, Oregon, which represents a plan to provide a substitute and supplemental water supply for 2,340 acres and a full water supply to an additional 3,080 acres now dry.

Copies of the proposed report were transmitted on February 19, 1960, to the affected States of the Columbia River Basin and to the Secretary of the Army for review, as required by the Flood Control Act of 1944. In accordance with the Fish and Wildlife Coordination Act (48 Stat. 401, as amended; 16 U.S.C. 661, et seq.), the report was also sent to the State of Oregon for comments from the head of the agency exercising administration over wildlife resources of that State. In addition, copies were sent to the Federal agencies represented on the Inter-Agency Committee on Water Resources.

Comments have been received from all those recipients and copies of their letters are attached¹ to and made a part of the report. All comments are either favorable to the potential development or offer no objections. The State of Oregon recommended that financial assistance through surplus power revenues, to aid in the repayment of irrigation costs should be secured from The Dalles powerplant in lieu of the Bonneville Power Administration system, as indicated in our proposed report. The State of Washington also suggested the use of revenues from The Dalles powerplant. There is no difference in basic principle whether the

¹ Excluded from this publication.

surplus power revenues come from the system as a whole or some particular powerplant within the system. In accordance with procedures followed in the Missouri River Basin, Upper Colorado River Basin, and the Central Valley of California, we believe it desirable to utilize the system in lieu of a specific powerplant and thus treat all major areas in the West the same.

Revision of the proposed report, as a result of these reviews, does not appear to be necessary. Accordingly, I recommend that you approve and adopt this as your report on the Western division, The Dalles project, and that you transmit it together with the attached comments to the President and subsequently to the Congress as provided by the Reclamation Project Act of 1939.

Respectfully,

FLOYD E. DOMINY,
Commissioner.

Approved and adopted June 3, 1960.

FRED A. SEATON,
Secretary of the Interior.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., June 3, 1960.

The PRESIDENT,
The White House, Washington, D.C.
(Through: Bureau of the Budget).

DEAR MR. PRESIDENT: My report on a plan of development for the Western division, The Dalles project, Oregon, is transmitted herewith pursuant to the Reclamation Project Act of 1939 (53 Stat. 1187).

The proposed plan provides for the construction of pumping plants, equalizing reservoirs, closed pipe distribution and lateral systems, and drainage and electrical facilities to provide a water supply to a part of the project acreage needing supplemental water and a full water supply to a portion of the area which is now dry. The plan is engineeringly feasible and economically justified with benefits exceeding costs.

The local people strongly support the project since, in the main, it would be a rescue-type development. By providing a source of surface water to replace the receding ground water and to supplement the declining soil moisture in those areas now used for dryland fruit production, it would provide a basis for maintaining and strengthening the existing economy.

My proposed report was transmitted for review to the States of the Columbia River Basin and to the interested Federal agencies as required by law and interagency agreement. Copies of the review comments received are attached to the report.

I recommend that the plan of development for the Western division, The Dalles project, be authorized as set forth in my re-

port. I shall appreciate having advice concerning the relationship of the Western division to your program before transmitting the report to the Congress for its consideration and appropriate action as provided in the Reclamation Project Act of 1939.

Sincerely yours,

FRED A. SEATON,
Secretary of the Interior.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., June 13, 1960.

The Honorable, the SECRETARY OF THE INTERIOR.

MY DEAR MR. SECRETARY: This will acknowledge your letter of June 3, 1960, transmitting your proposed report on the Western division, The Dalles project, Oregon.

The principal features of the project consist of pumping plants, equalizing reservoirs, distribution and lateral systems, and drainage and electrical systems. The project would provide an irrigation water supply for 5,240 acres. The total Federal cost is estimated at \$5,649,000, based on January 1959 prices, and the ratio of direct annual benefits to annual costs using a 50-year period of analysis is estimated at 1.14.

The report recommends that irrigation costs beyond the water users' repayment ability, estimated at \$3,081,400, be repaid from surplus power revenues of the Bonneville Power Administration. The Congress has in the past authorized the use of surplus power revenues to assist in the return of irrigation costs of Columbia Basin projects associated with specific power facilities. However, the basin account concept, under which surplus power revenues from a number of projects in a basin are applied to the return of capital costs of reclamation developments within the same area, has not yet been extended to the Columbia Basin. Since the Congress is currently considering legislation (S. 1388) which would authorize a basin account for the Pacific Northwest, it is considered that a recommendation to apply in part the provisions of this general legislation for a specific project is premature.

Accordingly, while there would be no objection to the submission of your proposed report to the Congress, the Bureau of the Budget would recommend that action on the Western division, The Dalles project, be deferred until the Congress establishes by law a Pacific Northwest or Columbia Basin account or, as an alternative, that the reimbursable costs which are beyond the repayment ability of the water users to repay within 50 years, exclusive of any permissible development period, be borne by the Federal Government as a contribution to irrigation. In the latter case the letter transmitting the report to the Congress should include proposed language stating the maximum amount of such contribution for incorporation in the authorizing legislation. It is

requested that a copy of this letter accompany your report to the committee.

Sincerely yours,

ELMER B. STAATS,
Deputy Director.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., June 21, 1960.

Hon. SAM RAYBURN,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: My report on the Western division, The Dalles project, Oregon, is transmitted herewith as provided by section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187).

The report presents a plan of development for a proposed irrigation development located near the town of The Dalles in north-central Oregon. Except for fish screens at a main pumping plant on the Columbia River, the proposed development is wholly for irrigation. The proposed plan is engineeringly feasible and economically justified.

My proposed report on this project was transmitted to the affected States and interested Federal agencies for review as required by law and interagency agreement. Comments have been received from all to which the report was sent and copies are attached to the report.

The report and copies of the comments received were submitted to the President on June 3, 1960. Enclosed is a copy of letter dated June 13, 1960, from the Deputy Director of the Bureau of the Budget indicating, that while there would be no objection to the submission of the report to the Congress, the Bureau of the Budget would recommend that action on the Western division, The Dalles project, be deferred until the Congress establishes by law a Pacific Northwest or Columbia Basin account or, as an alternative, that the reimbursable costs which are beyond the ability of the water users to repay within 50 years, exclusive of any permissible development period, be borne by the Federal Government as a contribution to irrigation.

We believe that it is desirable, and have so recommended in reporting and testifying on pending legislation, that the Congress establish a Pacific Northwest account to aid such irrigation developments as the Western division of The Dalles project. Similar accounts have been authorized in other major areas of the West. We believe further that until such an account is established by the Congress, irrigation assistance for the Western division should be provided from net revenues derived from the Bonneville Power Administration system as recommended in my proposed report.

The Department is not in favor of a direct Federal contribution to irrigation. This would be contrary to the long-established policy that reimbursable irrigation costs on Federal reclamation projects be fully repaid to the Federal Treasury by the project beneficiaries, including such assistance as is necessary from surplus power revenues produced on Federal water resource developments in the West.

I recommend that construction of the Western division, The Dalles project, Oregon, be authorized as set forth in my report.

Sincerely yours,

ELMER F. BENNETT,
Acting Secretary of the Interior.

WESTERN DIVISION AUTHORIZING ACT

An act to authorize the Secretary of the Interior to construct, operate, and maintain the Western division of The Dalles Federal reclamation project, Oregon, and for other purposes. (Act of September 13, 1960, 74 Stat. 882, Public Law 86-745.)

SEC. 1. [Construction authorized.] That for the purpose of furnishing water for the irrigation of approximately five thousand five hundred acres of arid land in Wasco County, Oregon, the Secretary of the Interior is authorized to construct, operate, and maintain the Western division of The Dalles Federal reclamation project, Oregon. The Western division shall consist of the following principal works: a main pumping plant to be located at a site on the Columbia River; a booster and relift pumping plants with reregulating reservoirs; and a distribution system.

SEC. 2. [Reclamation laws govern.] (a) In constructing, operating, and maintaining the Western division of The Dalles project, the Secretary shall be governed by the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto).

(b) The period provided in subsection (b) of section 9 of the Reclamation Project Act of 1939, as amended, for repayment of construction costs properly allocable to any block of lands and assigned to be repaid by the irrigators may be extended to fifty years, exclusive of a development period, from the time water is first delivered to that block or to as near that number of years as is consistent with the adoption and operation of a repayment formula as therein provided. Costs allocated to irrigation in excess of the amount determined by the Secretary to be within the ability of the irrigators to repay within a fifty-year period shall be returned to the reclamation fund within a fifty-year period from the date of the first delivery of water from the facilities authorized by this legislation from net revenues derived by the Secretary of the Interior from the disposition of power marketed through the Bonneville Power Administration, which are over

and above those required to meet any present obligations assigned for repayment from such net revenues. The term "construction costs" used herein shall include any irrigation operation and maintenance costs during the development period which the Secretary finds it proper to fund because they are beyond the ability of the water users to pay during that period.

(c) Power and energy required for irrigation pumping for the Western division of The Dalles Federal reclamation project shall be made available by the Secretary from The Dalles Dam powerplant and other Federal plants interconnected therewith at rates not to exceed the costs of such power and energy from The Dalles Dam taking into account all costs of the dam, reservoir, and powerplant which are determined by the Secretary under the provisions of the Federal reclamation laws to be properly allocable to such irrigation pumping power and energy.

(d) That portion of the cost of constructing the works authorized by this Act which the Secretary finds to be properly allocable to the conservation and development of fish and wildlife, in accordance with the Fish and Wildlife Coordination Act (48 Stat. 401, as amended, 16 U.S.C. 661, and the following), together with the portion of the operation, maintenance, and replacement costs allocated to this function, shall be nonreimbursable and nonreturnable under the reclamation laws.

SEC. 3. [Appropriation authorized.] There is hereby authorized to be appropriated for construction of the works authorized by this Act not to exceed \$6,000,000, plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indices applicable to the types of construction involved herein.

TRUCKEE STORAGE PROJECT

NEVADA-CALIFORNIA

COMPLETION OF BOCA DAM ¹

An act to provide for the completion and delivery of the Boca Dam, in the Little Truckee River, in accordance with the contract between the United States and the Washoe County Water Conservation District. (Act of May 29, 1941, ch. 153, 55 Stat. 210, Public Law 77-86.)

SEC. 1. [Secretary of Interior to complete construction—to make required expenditures.] That the Secretary of the Interior is authorized and directed to complete construction on the dam in the Little Truckee River, near Boca, California, which has been begun and substantially completed under a contract with the Washoe County Water Conservation District. The Secretary is authorized to make such expenditures, from funds now available for the completion of the Boca Dam, as may be required therefor.

SEC. 2. [Secretary to deliver custody to District for operation and maintenance.] The Secretary of the Interior is authorized and directed to deliver custody of such dam to such district for operation and maintenance purposes in accordance with the contract between the United States and such district, dated December 12, 1936, at the earliest practicable time.

SEC. 3. The amount which such district is required to pay the United States under articles 11 and 12 of such contract of December 12, 1936, shall not exceed \$1,000,000.

¹ This act omitted from 1957 edition.

TUALATIN PROJECT

OREGON

The Secretary of the Interior transmitted his feasibility report on the Tualatin project to the Congress on April 3, 1964 (House Document No. 295, 88th Cong.). The project was authorized by act of Congress on September 20, 1966 (80 Stat. 822).

DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., September 6, 1963.

THE SECRETARY OF THE INTERIOR.

SIR: This is my proposed report on the Tualatin project, Oregon. It is based on and includes the accompanying report of the regional director, Boise, Idaho, dated May 1963, and appended reports of the Bureau of Mines, National Park Service, and Fish and Wildlife Service, all of the Department of the Interior, the Corps of Engineers, Department of the Army, and the Public Health Service, Department of Health, Education, and Welfare.¹

The Tualatin project is located in the valley of the Tualatin River, a western tributary of the Willamette River, in north-western Oregon. The project lands lie just west of and adjacent to the metropolitan area of Portland, Ore.

Present natural streamflow in the Tualatin River is inadequate to meet constantly increasing seasonal water requirements for irrigation, municipal and industrial water supply, water quality control, and maintenance of fish life in the river. The plan of development herein proposed would provide regulatory storage in Scoggin Reservoir for these purposes, would aid in controlling floodflows, and provide opportunities for recreation and for conservation and development of fish and wildlife resources. Project works would provide water needed to irrigate some 17,000 acres of irrigable land, and water for foreseeable municipal and industrial needs and other nonagricultural uses. The irrigation and municipal and industrial uses of water alone will be of tremendous importance in the Tualatin Valley, where the expansion of these uses has been virtually stopped in recent years by the seasonal exhaustion of the natural water supply. The annual runoff of the streams would be adequate for all foreseeable needs if it were regulated by sufficient conservation storage capacity. Application has been made in accordance with the Oregon State Water

¹ Excluded from this publication.

Code for rights to store, divert, and use water for project purposes.

The facilities proposed to be built would consist of Scoggin Dam and Reservoir, about 70 miles of main canals and necessary pumping plants, laterals, drains, and appurtenant facilities to service the irrigated lands. Specific facilities will be provided at Scoggin Reservoir for recreation and fish enhancement, and at the existing Oregon Iron & Steel Co. dam for fish passage. Specific facilities required for delivery of stored water for municipal and industrial use will be provided by the municipalities and are not included in project facilities. No specific project facilities, other than use of a portion of the storage capacity, will be required to obtain the water quality control benefits. Flood control benefits will be realized incidental to operation for other project purposes.

* * *

The total project cost of the Tualatin project as described above is estimated, at prices as of January 1962, to be \$19,235,300. This estimate includes the cost of operating and maintaining fish trapping and holding facilities during the first 5 years, being considered a measure to mitigate losses to the existing fishery, estimated at \$75,000, which is considered a project cost. The project cost is tentatively allocated among the project functions as follows:

<i>Project costs</i>	
Irrigation	\$13,089,000
Municipal and industrial	1,342,500
Water quality	1,720,700
Fish and wildlife	1,977,200
Recreation	795,100
Flood control	30,800
Highway transportation	280,000
Total	19,235,300

¹ Interest during construction of \$75,260 must be added making an allocation to municipal and industrial water of \$1,417,760.

The project cost allocated to irrigation, under reclamation law, is reimbursable without interest. In addition to the operation, maintenance, and replacement costs allocated to that purpose, irrigation water users could repay \$5,412,000 over a 50-year period, exclusive of the development period. The owners of the lands proposed to be served have formed the Tualatin Valley Irrigation District and have expressed their support and willingness to contract for water service in accordance with this report. Financial assistance would be required in the amount of \$7,677,000 to repay the entire irrigation allocation. The regional director recommends that the costs allocated to irrigation in excess of the amount which is within the ability of the irrigators to repay be returned to the reclamation fund from revenues derived by the Secretary of the Interior from the disposition of power marketed through the Bonneville Power Administration.

All costs allocated to municipal and industrial water are reim-

bursable with interest, and are within the ability of the water users to repay in 50 years. Interest charges on a portion of the cost allocated to municipal and industrial water will be deferred as provided in the Water Supply Act of 1958 (72 Stat. 319).

The project costs and operation and maintenance costs allocated to water quality control and flood control are proposed to be nonreimbursable, in accordance with the reclamation laws and the specific laws applicable to these functions. We propose that the project cost allocated to recreation also be nonreimbursable, and that the costs of operating and maintaining those facilities be assumed, as soon as possible after project construction, by a qualified local agency. Since all of the construction costs allocated to fish and wildlife would be for the prevention of loss and damage to or development and improvement of these resources, and since the benefits would accrue to the public at large and would not be readily identifiable with any particular group or groups of beneficiaries, it is found that all of the costs of these measures are properly allocable to fish and wildlife as nonreimbursable costs in accordance with the Fish and Wildlife Coordination Act.

The \$280,000 assigned to highway transportation represents the estimated incremental cost of relocating the roads in the reservoir area on the basis of designs to current standards for current traffic instead of replacement in kind, and as provided in section 208, title II of the Flood Control Act of 1962, would be nonreimbursable.

The economic justification for this project, as a Federal Government investment, is demonstrated by the computation of annual benefits and equivalent annual costs. We find the benefits would exceed the costs in the ratio of 2.34 to 1.

I concur in and adopt the recommendations of the regional director as set forth in his report.

I recommend that you approve and adopt this report as your proposed report on the Tualatin project, Oregon, and that you authorize me in your behalf to transmit copies to the States of the Columbia River Basin and to the Secretary of the Army for review in accordance with requirements of the Flood Control Act of 1944 (58 Stat. 887), to the State of Oregon for the views and recommendations of the head of the agency exercising administration over the wildlife resources of the State as provided by the Fish and Wildlife Coordination Act (48 Stat. 401, as amended; 16 U.S.C. 661 et seq.), and to other interested Federal agencies in accordance with Presidential instructions.

Respectfully,

N. B. BENNETT, Jr.,
Acting Commissioner.

Approved and adopted September 17, 1963.

KENNETH HOLUM,

Acting Secretary of the Interior.

DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., January 29, 1964.

The Honorable, The SECRETARY OF THE INTERIOR.

SIR: This is my report on the Tualatin project, Oregon. It is based on and includes our proposed report of September 6, 1963, on this project, which was approved and adopted on September 17, 1963, by Acting Secretary Kenneth Holum.

Copies of the proposed report were transmitted on September 19, 1963, to the States of the Columbia River Basin and to the Secretary of the Army for review as required by the Flood Control Act of 1944 (58 Stat. 887), and to the State of Oregon for comments from the head of the agency exercising administration over the wildlife resources of that State as provided by the Fish and Wildlife Coordination Act. Copies of the report were also sent to the interested Federal agencies for review in accordance with Presidential instructions. Comments have been received from all of the recipients except the State of Wyoming. Copies of the comments received are attached ¹ to, and made part of, this report.

The Governor of Oregon concurred in the favorable findings of the State water resources board in its review of our proposed report (letter of November 19, 1963, copy attached),¹ and recommended early authorization of the project by the Congress and appropriation of construction funds. He also recommended adoption of the plans outlined by the Fish and Wildlife Service for the protection and public enjoyment of wildlife resources in the Tualatin project area. The water resources board recommended that financial assistance in repaying the costs allocated to irrigation should be derived from a specific project rather than the Bonneville system. In your reply of December 23, 1963 (copy attached),¹ to the board, you discussed that recommendation. Consistent with the new procedures for repayment of costs assigned to the Bonneville Power Administration, which you approved on April 17, 1963, the repayment plan set forth in our proposed report on the Tualatin project will be recommended to the Congress.

The Chief of Engineers, Department of the Army, finds that the proposed plan would not conflict with any existing or authorized projects of the Corps of Engineers.

The comments of the Department of Agriculture indicated that potential conflicts between the Tualatin project and proposed Public Law 566 projects in the vicinity have been satisfactorily resolved and that the proposal would have no significant effect on national forests. The flexibility inherent in irrigated agriculture will permit any adjustments necessary to conform with future changes in the marketability and need for project specialty crops and dairy products. There would be no significant production of crops which are currently in surplus. As suggested, the detailed project planning will be further coordinated with the objectives

¹ Excluded from this publication.

and planning of concerned local groups who are interested in watershed developments in areas within the valley that surround the project.

The Chairman of the Federal Power Commission requested clarification of our intentions with regard to scheduling Bonneville Power Administration payments in aid of Tualatin project water users. We assured him that the financial assistance would not be required until after the commercial power costs of existing powerplants had been amortized, and therefore should have no effect upon current rate schedules.

The comments of the other States and Federal agencies were all favorable or offered no objection to the proposed report. Therefore, we conclude that no revision of our proposed report is required.

I recommend that you approve and adopt this report as your report on the Tualatin project, Oregon, and that you transmit it, together with the attached documents,¹ to the President and subsequently to the Congress in accordance with the Reclamation Project Act of 1939.

Respectfully,

WILLIAM I. PALMER,
Acting Commissioner.

I concur:

KENNETH HOLUM,

Assistant Secretary, Water and Power Development.

February 7, 1964.

Approved and adopted:

STEWART L. UDALL,

Secretary of the Interior.

February 12, 1964.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., February 12, 1964.

The PRESIDENT,
The White House, Washington, D.C.
(Through: Bureau of the Budget.)

DEAR MR. PRESIDENT: My report on a plan of development for the Tualatin project, Oregon, is transmitted herewith pursuant to the Reclamation Project Act of 1939 (53 Stat. 1187).

This multiple-purpose project involves a dam and reservoir on Scoggin Creek, a tributary of Tualatin River in northwestern Oregon, and irrigation works to serve water to some 17,000 acres of land. The project would also provide municipal and industrial water supplies, flood control, water quality control, fish and wildlife, and recreation benefits. The project is feasible and economically justified, with benefits exceeding costs in the ratio of 2.34 to

¹ Excluded from this publication.

1. Maximum utilization of the resource is attained, and the plan lends itself to coordination in the future with development of other tributary streams. The potential irrigation water users have formed the Tualatin Valley Irrigation District to contract with the United States for repayment of the costs to be repaid by the irrigation water users and to administer the project. The local municipalities have expressed their desires to participate in the project, and other evidence has been received indicating strong local support for the plan of development.

The proposed report was transmitted to the States of the Columbia River Basin and to the interested Federal agencies for review as required by law and Presidential instructions. Copies of the review comments received are attached to the report.

I recommend that the plan of development for the Tualatin project, Oregon, be authorized as set forth in my report. I shall appreciate having advice concerning the relationship of the project to your program before transmitting the report to the Congress for its consideration and appropriate action as provided in the Reclamation Project Act of 1939.

Sincerely yours,

STEWART L. UDALL,
Secretary of the Interior.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., March 30, 1964.

Hon. STEWART L. UDALL,
Secretary of the Interior,
Washington, D.C.

DEAR MR. SECRETARY: This is in reply to your letter of February 12, 1964, transmitting your proposed report on the Tualatin project, Oregon, and requesting advice as to the relationship of the proposed project to the program of the President.

The proposed plan provides for a multipurpose development on Scoggin Creek, in northwestern Oregon. It provides irrigation works to serve 17,000 acres of land and includes municipal and industrial water supplies, flood control, water quality control, fish and wildlife, and recreation benefits. The total estimated cost for the project is \$19,235,300,¹ and it is estimated the benefits exceed the cost by the ratio of 2.3 to 1.

The administration has recommended the enactment of legislation, introduced as H.R. 9032, to provide uniform policies for cost sharing and reimbursement for recreation and fish and wildlife at water resource projects. We would expect that prior to a request for construction appropriations, the cost of the Tualatin project would be reallocated to conform with the then existing cost sharing and reimbursement policies for recreation and fish and wildlife.

¹ 1962 prices.

I am authorized by the Director of the Bureau of the Budget to advise you that there would be no objection to the submission of your report to the Congress. No commitment can be made at this time, however, as to when any estimate of appropriation would be submitted for construction of the project, if authorized by the Congress, since this would be governed by the President's budgetary objectives as determined by the then prevailing fiscal situation.

Sincerely yours,

CARL H. SCHWARTZ, Jr.,
Chief, Resources and Civil Works Division.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., April 3, 1964.

Hon. JOHN W. MCCORMACK,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: The report of the Secretary of the Interior on the Tualatin project, Oregon, is transmitted herewith as provided by section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187).

The report presents a plan of development for a multiple-purpose project involving construction of a dam and reservoir on Scoggin Creek, a tributary of Tualatin River in northwestern Oregon, and irrigation works to serve water to some 17,000 acres of land. The project would also provide municipal and industrial water supplies, flood control, water quality control, fish and wildlife, and recreation benefits. The project is engineeringly feasible and economically justified.

The Secretary's proposed report on this project was transmitted to the affected States and interested Federal agencies for review as required by law and Presidential instructions. Comments received as a result of this review are attached to the report.

The report and copies of the comments received were submitted to the President on February 12, 1964. Enclosed is a copy of letter dated March 30, 1964, from the Chief, Resources and Civil Works Division, Bureau of the Budget, which states that there would be no objection to the submission of this report to the Congress.

It is recommended that construction of the Tualatin project, Oregon, be authorized as set forth in the attached report.

Sincerely yours,

KENNETH HOLUM,
Assistant Secretary of the Interior.

AUTHORIZING ACT

An act to authorize the Secretary of the Interior to construct, operate, and maintain the Tualatin Federal reclamation project, Oregon, and for other purposes. (Act of September 20, 1966, 80 Stat. 822, Public Law 89-596.)

SEC. 1. [**Authorization.**] That in order to supply irrigation water to approximately seventeen thousand acres of land in the Tualatin River Valley, Oregon, to develop municipal and industrial water supplies, to provide facilities for river regulation and control of floods, to enhance recreation opportunities, to provide for the conservation and development of fish and wildlife resources, and for other purposes, the Secretary of the Interior is authorized to construct, operate, and maintain the Tualatin Federal reclamation project in accordance with the Federal reclamation laws (Act of June 17, 1902 (32 Stat. 388), and Acts amendatory thereof and supplementary thereto). The principal features of the said project shall be a dam and reservoir on Scoggin Creek, canals, pumping plants and water distribution facilities.

SEC. 2. [**Repayment period.**] Irrigation repayment contracts shall provide, with respect to any contract unit, for repayment of the irrigation construction costs assigned for repayment to the irrigators over a period of not more than fifty years exclusive of any development period authorized by law. Construction costs allocated to irrigation beyond the ability of the irrigators to repay during the repayment period shall be returned to the reclamation fund within said repayment period from revenues derived by the Secretary from the disposition of power marketed through the Bonneville Power Administration. Power and energy required for irrigation water pumping for the Tualatin project shall be made available by the Secretary from the Federal Columbia River power system at charges determined by him.

SEC. 3. [**Fish and wildlife and recreation.**] The conservation and development of the fish and wildlife resources and the enhancement of recreation opportunities in connection with the Tualatin project shall be in accordance with the provisions of the Federal Water Project Recreation Act (79 Stat. 213).

SEC. 4. (a) [**Repayment of cost allocated to municipal water.**] Costs of the project allocated to municipal water supply shall be repayable, with interest, by the municipal water users over a period of not more than fifty years from the date that water is first delivered for that purpose, pursuant to contracts with municipal corporations, or other organizations, as defined in section 2(g) of the Reclamation Project Act of 1939 (53 Stat. 1187). Contracts may be entered into with water users' organizations pursuant to the provisions of this Act without regard to the last sentence of subsection 9(c) of the Reclamation Project Act of 1939, *supra*.

(b) [**Interest rate, determination by Secretary.**] The interest rate used for computing interest during construction and interest on the unpaid balance of the costs of the project allocated to municipal water supply shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which con-

struction is commenced, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations which are neither due nor callable for redemption for fifteen years from date of issue, and by adjusting such interest rate to the nearest multiple of one-eighth of 1 per centum if the computed average interest rate is not a multiple of one-eighth of 1 per centum.

(c) **[Highway transportation costs.]** Costs of the project allocated to highway transportation shall be nonreimbursable in accordance with section 208 of the Flood Control Act of 1962 (76 Stat. 1196).

SEC. 5. **[Restriction.]** For a period of ten years from the date of enactment of this Act, no water shall be delivered to any water user on the Tualatin project for the production on newly irrigated lands of any basic agricultural commodity, as defined in the Agricultural Act of 1949, or any amendment thereof, if the total supply of such commodity for the marketing year in which the bulk of the crop would normally be marketed is in excess of the normal supply as defined in section 301(b)(10) of the Agricultural Adjustment Act of 1938, as amended, unless the Secretary of Agriculture calls for an increase in production of such commodity in the interest of national security.

SEC. 6. **[Appropriation authorized.]** There is hereby authorized to be appropriated for the construction of the Tualatin project the sum of \$20,900,000 (January 1965 prices) plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indexes applicable to the types of construction involved therein, and, in addition thereto, such sums as may be required to operate and maintain said project.

VALE PROJECT

OREGON

BULLY CREEK EXTENSION

The Secretary of the Interior transmitted his feasibility report on the Bully Creek extension of the Vale project to the Congress on May 23, 1959 (House Document No. 159, 86th Cong.). Construction was authorized by act of Congress on September 9, 1959 (73 Stat. 478).

U.S. DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., July 24, 1958.

The SECRETARY OF THE INTERIOR.

SIR: This is my report on the Vale project, Oregon, Bully Creek extension. It is based on and includes the proposed report on this project which you approved and adopted on March 29, 1958.

Copies of your proposed report were transmitted to States of the Columbia River Basin and to the Secretary of the Army on April 13, 1958, in accordance with section 1(c) of the Flood Control Act of 1944 (58 Stat. 887) and to the State of Oregon for comments from the head of the agency exercising administration over the wildlife resources of that State in accordance with the provisions of the act of August 14, 1946 (60 Stat. 1080). Copies of the report were also furnished to agencies represented on the Interagency Committee on Water Resources for their review and comments. Comments have been received from all States and agencies to which the report was sent and copies are attached.¹

As the comments received are generally favorable, it does not appear, except for the minor suggestions below, that revision of your proposed report as a result of the review by the various agencies is necessary. In particular, the officials of the State of Oregon advise that they give wholehearted support and approval to the report and desire that submission of the report to the Congress be expedited.

Comments from the Department of Agriculture discuss a possible upstream development on Bully Creek under general supervision of that Department. A question was raised concerning avail-

¹ Excluded from this publication.

ability of water for this development if Bully Creek extension is constructed. Our views on this problem outlining the limitations on water supply and offering our full cooperation in providing for full development of water resources throughout the Bully Creek Basin are contained in our reply to the Department of Agriculture, a copy of which is enclosed.

The Oregon State engineer in his April 24, 1958, letter of comments suggested changes to subparagraph (h) of the regional director's recommendations on page 58 of his report. To accommodate the State engineer's views, I recommend that subparagraph (h) be amended and worded as follows:

(h) That Federal lands and project waters in the project area be open to free public use for hunting and fishing so long as title to the lands and structures remains in the Federal Government, except for sections reserved for safety, efficient operation, or protection of public property, provided when such lands and structures pass into other ownership, appropriate reservations be made in the transfer documents, to the extent not inconsistent with law, to preserve such free public uses.

Accordingly, I recommend that you approve and adopt this report as your report on the Vale project, Oregon, Bully Creek extension, and that you transmit it, together with the attached comments,¹ to the President and subsequently to the Congress in accordance with the Reclamation Act of 1939.

Respectfully,

W. A. DEXHEIMER,
Commissioner.

Approved and adopted: August 19, 1958.

FRED A. SEATON,
Secretary of the Interior.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., August 19, 1958.

(Through the Bureau of the Budget.)

The PRESIDENT,
The White House.

DEAR MR. PRESIDENT: My report on the Vale project, Oregon, Bully Creek extension, is transmitted herewith pursuant to the provisions of section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187).

The Bully Creek extension consists of Bully Creek Dam and Reservoir, a feeder canal to the reservoir, and laterals. It would provide a firm irrigation water supply to 2,990 additional acres of land widely scattered throughout the existing 32,000-acre Vale project in Malheur County of eastern Oregon. In addition, by regulating flows of Bully Creek in coordination with the existing Vale project reservoirs considerable flood benefits would ac-

¹ Excluded from this publication.

crue to the area. The potential development would also benefit fish and wildlife and recreation.

The extension is estimated to cost \$3,326,000, based on July 1957 prices. The tentative allocations to irrigation, flood control, fish and wildlife, and recreation are \$2,225,000, \$947,000, \$94,000, and \$60,000 respectively. The cost allocated to irrigation is expected to be repaid by the water users concurrently with the existing construction obligation of the present Vale project. The capital costs allocated to the other functions are considered non-reimbursable in accordance with law and custom.

The ratio of total benefits to costs based on a 100-year period of analysis is estimated to be 2.44 to 1. This same ratio on a 50-year period of analysis is estimated to be 1.95 to 1. There is strong local support for the project, and officials in their review of the planning report have expressed approval.

The report was transmitted to officials of the States of the Columbia River Basin and to the Secretary of the Army for their consideration and recommendations as required by the provisions of section 1(c) of the Flood Control Act of 1944 (58 Stat. 887). It was also sent to the State of Oregon for the comments of the agency exercising administration over the wildlife resources of the area involved as required by provisions of the act of August 14, 1946 (60 Stat. 1080), and to the Departments of Agriculture, Commerce, Labor, and Health, Education, and Welfare, and the Federal Power Commission in accordance with interagency agreements. Generally, favorable comments have been received from reviewing agencies.

I recommend that the Vale project, Oregon, Bully Creek extension, be authorized as presented in this report. I shall appreciate having advice concerning the relationship of this potential development to your program before I transmit the report to the Congress for its consideration and appropriate action in accordance with the provisions of the Reclamation Project Act of 1939.

Sincerely yours,

FRED A. SEATON,
Secretary of the Interior.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., March 25, 1959.

(Through the Bureau of the Budget.)
The PRESIDENT,
The White House.

DEAR MR. PRESIDENT: Our report on the Vale project, Oregon, Bully Creek extension, was sent to you on August 19, 1958, for review and advice concerning the relationship of this potential development to your program. Subsequent to the August transmittal, we received from the Corps of Engineers a new analysis

of the flood control benefits for the development as indicated in the attached¹ copy of the August 26, 1958, letter from that agency. The purpose of this letter is to revise our report in accordance with the latest information furnished by the Corps of Engineers and to supplement the report previously sent to you.

Our previous submittal showed an average annual flood control benefit of \$56,000 attributable to Bully Creek Reservoir and the two existing Vale project reservoirs when operated as a system on a forecast basis. Total annual benefits that would result from all storage and certain channel improvements were \$276,000. Figures for these same items in the Corps' new study are \$122,000 and \$219,000, respectively.

The increase in annual flood control benefits from \$56,000 to \$122,000 attributable to the Bully Creek extension requires a change in cost allocation for both construction and annual operation costs. A table showing revised values based on the separable costs-remaining benefits method of cost allocation is as follows:

Function	Capital costs		Operation, maintenance, and replacement costs	
	Current	September 1957 report	Current	September 1957 report
Irrigation	\$1,700,000	\$2,225,000	\$5,900	\$6,900
Flood control	1,497,000	947,000	5,400	4,400
Fish and wildlife	69,000	94,000	200	200
Recreation	60,000	60,000	2,800	2,800
Total	3,326,000	3,326,000	14,300	14,300

The increase in flood control benefits also will increase the benefit-cost ratios. Using the new data, these ratios are now 2.45 to 1 and 3.06 to 1 based on a 50-year and 100-year period of analysis, respectively. Corresponding ratios from the September 1957 planning report are 1.95 to 1 and 2.44 to 1.

Sincerely yours,

ELMER F. BENNETT,
Under Secretary of the Interior.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., April 30, 1959.

The Honorable the SECRETARY OF THE INTERIOR.

MY DEAR MR. SECRETARY: Your letter of August 19, 1958, transmitted your report on a plan of development for the proposed Vale project, Oregon, Bully Creek extension. Under Secretary Bennett's letter of March 25, 1959, revised the report to reflect current information on flood control benefits furnished by the Corps of Engineers.

This project is located in the Snake River Basin near the eastern boundary of Oregon. The proposed improvements would be

¹ Excluded from this publication.

new additions to the Vale project and would consist of Bully Creek Dam and Reservoir with a storage capacity of 32,000 acre-feet, a 2.5-mile feeder canal, and 13 miles of irrigation laterals. Under the proposed plan, flows from Bully Creek and surplus flows diverted from the Malheur River would be stored in the Bully Creek Reservoir. This would increase the firm irrigation water supply for the Vale project sufficiently to add about 2,990 acres to the 32,000 acres which have water rights. The new lands would consist of widely scattered small tracts included in presently operated units. Construction of the Bully Creek Reservoir would also make it possible to operate the entire irrigation system more efficiently and would afford substantial flood control benefits.

The original and revised cost allocations and the total cost of the project are indicated in the following tabulation:

Function	Capital costs		Operation, maintenance, and replacement costs	
	Current	September 1957 report	Current	September 1957 report
Irrigation	\$1,700,000	\$2,225,000	\$5,900	\$6,900
Flood control	1,497,000	947,000	5,400	4,400
Fish and wildlife	69,000	94,000	200	200
Recreation	60,000	60,000	2,800	2,800
Total	3,326,000	3,326,000	14,300	14,300

The ratios of benefits to costs over a 50-year period were estimated originally at 1.95 based on total benefits and 1.03 based on direct benefits. The former ratio is presently estimated at 2.45 on the basis of revised estimates of flood control benefits.

Your report proposes that the costs allocated to irrigation be repaid concurrently with an existing contractual obligation. Under this arrangement, repayment of the irrigation costs would be accomplished in 60 years. However, the irrigation costs have been reduced from the original allocation of \$2,225,000 to \$1,700,000 under the revised cost allocation made pursuant to the additional information on flood control benefits furnished by the Corps of Engineers. The Bureau of the Budget considers it important that project construction costs allocated to irrigation be repaid within a period of not more than 50 years and believes, in view of the above circumstances, that there is no justification for a departure from this standard in the case of the Bully Creek project.

Accordingly, while there would be no objection to the submission of the report to the Congress, the Bureau of the Budget would recommend against authorization of the project unless the costs allocated to irrigation will be repaid within a 50-year period. No commitment can be made at this time as to when any estimate of appropriation would be submitted for construction of the project, if authorized by the Congress, since this would be governed by the President's budgetary objectives as determined by the then prevailing fiscal situation.

It is requested that a copy of this letter accompany your report when it is submitted to the Congress.

Sincerely yours,

ELMER B. STAATS,
Deputy Director.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., May 23, 1959.

Hon. SAM RAYBURN,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: My report on the Vale project, Oregon, Bully Creek extension, is transmitted herewith pursuant to the provisions of 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187).

The potential development would store waters in the proposed Bully Creek Reservoir from both Bully Creek, a tributary to the Malheur River, and from the Malheur River by diverting through an existing canal and a proposed short feeder canal. The primary purpose would be a firm irrigation water supply for 2,990 additional acres of land scattered throughout the existing Federal Vale project. Important flood control benefits would result from storage in Bully Creek Reservoir, and benefits also would accrue to fish and wildlife and recreation.

The total estimated cost is \$3,326,000, based originally on July 1957 prices. More recently the cost was indexed to January 1959 prices and it was found that it did not change to any appreciable extent. The cost is allocated to irrigation, flood control, fish and wildlife, and recreation in the respective amounts of \$1,700,000, \$1,497,000, \$69,000, and \$60,000. It is contemplated that the irrigation costs would be fully repaid by the water users in 50 years. In accordance with existing laws and policies the other costs are considered to be nonreimbursable. The ratio of total benefits to total costs is 3.06 to 1, based on a 100-year period of analysis and 2.45 to 1 when calculated for a 50-year period.

Copies of the proposed report of the Secretary of the Interior were transmitted to officials of the States of Oregon, Idaho, Montana, Nevada, Utah, Washington, and Wyoming, and to the Secretary of the Army for their views and recommendation in accordance with the provisions of section 1 of the Flood Control Act of December 27, 1944, and to the agencies represented on the Inter-agency Committee on Water Resources for their information and comments. Comments have been received from all to which the report was sent and copies are enclosed with the report.

The report and copies of all comments were transmitted to the President through the Bureau of the Budget. In the reports which were transmitted to the affected States and Federal agen-

cies and to the President, the cost allocated to irrigation was shown as \$2,225,000 and it was recommended that this cost be repaid by the water users concurrently with the obligation of the Vale Oregon Irrigation District under its existing contract with the Federal Government for repayment of Vale project costs. This would have required a 60-year repayment period for the Bully Creek extension. Subsequent to the transmittal of the report to the President the Corps of Engineers completed a revised evaluation of flood control benefits for the Vale project. A new cost allocation based on these revised flood control benefits was prepared which resulted in decreasing the cost allocated to irrigation from \$2,225,000 to \$1,700,000.

In view of this reduction in the cost allocated to irrigation and of a determination by the Bureau of Reclamation that repayment of \$1,700,000 in 50 years is within the amortization capacity of the water users, I now recommend that the water users be required to repay the entire cost of the Bully Creek extension allocated to irrigation within a 50-year period and the recommendation of our earlier reports are amended in this respect. This is consistent with the views of the Bureau of the Budget. Also, we are informed that this is agreeable to the irrigators.

Enclosed are copies of this Department's letter to the President of August 19, 1958, of the subsequent letter to the President of March 25, 1959, explaining the revisions in flood control benefits and cost allocations, and of the letter of comment of April 30, 1959, from the Bureau of the Budget.

Enclosed¹ is a copy of supplemental information on Bully Creek extension required by Senate Resolution 148, 85th Congress.

Sincerely yours,

FRED A. SEATON,
Secretary of the Interior.

BULLY CREEK EXTENSION AUTHORIZING ACT

An act to provide for the construction by the Secretary of the Interior of the Bully Creek Dam and other facilities, Vale Federal reclamation project, Oregon. (Act of September 9, 1959, 73 Stat. 478, Public Law 86-248.)

SEC. 1. [**Construction authorized.**] That the Secretary of the Interior is authorized to construct, operate, and maintain the Bully Creek Dam, Reservoir, and related minor facilities as features of the Vale Federal reclamation project, Oregon. In so doing, he shall be governed by the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388 and Acts amendatory thereof or supplementary thereto). Said construction, however, shall not be commenced until the Vale Oregon Irrigation District shall have obligated itself to repay such portions of the Federal costs of con-

¹ Excluded from this publication.

structing, operating, and maintaining the facilities herein authorized as the Secretary finds properly allocable to irrigation: *Provided*, That the period provided in subsection (d) of section 9 of the Reclamation Project Act of 1939, as amended, for repayment of the construction costs assigned to be repaid by the irrigators may be extended to fifty years.

SEC. 2. **[Recreation facilities.]** (a) The Secretary is authorized, in connection with the works herein authorized, to construct basic public recreation facilities and to arrange for the operation and maintenance of the same by an appropriate State or local agency or organization. He is also authorized to acquire approximately ten acres of land near Bully Creek Dam for recreation purposes.

(b) In addition to those costs of constructing the works authorized in this Act which the Secretary finds to be properly allocable to flood control, recreation, and the preservation and propagation of fish and wildlife, those costs of operating and maintaining the works, or the reasonable capitalized value of the equivalent thereof, which are allocated by the Secretary to these purposes shall be nonreimbursable and nonreturnable under the reclamation laws. Before the works are transferred to the Vale Oregon Irrigation District for care, operation, and maintenance, the district shall have agreed to operate them in such fashion, satisfactory to the Secretary, as to achieve the benefits on which these allocations are predicated and to return the works to the United States for care, operation, and maintenance in the event of failure to comply with its requirements to achieve such benefits.

SEC. 3. **[Appropriation authorized.]** There is hereby authorized to be appropriated for construction of the Bully Creek extension of the Vale Federal reclamation project the sum of \$3,326,000 plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in the costs of construction as indicated by engineering cost indexes applicable to the type of construction involved herein. There are also authorized to be appropriated such sums as may be required for the operation and maintenance of said works.

SEC. 4. **[Gulf Intracoastal Waterway modification.]** That the modification of the Gulf Intracoastal Waterway-Channel to Port Mansfield, Texas, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers contained in Senate Document 11, of the Eighty-sixth Congress, at an estimated cost of \$3,431,000.

SEC. 5. **[Appropriation authorized.]** There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of section 4 of this Act.

W. C. AUSTIN PROJECT

OKLAHOMA

REIMBURSABILITY ¹

[Extract from] An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1944, and for other purposes. (Act of July 12, 1943, 57 Stat. 451, 477, Public Law 78-133.)

* * *

Lugert-Altus project, Oklahoma, \$1,650,000: Provided, That of the total construction cost of all features of the project not to exceed \$3,080,000 shall be reimbursable under the provisions of the Reclamation law.

¹ This act omitted from 1957 edition.

WASHITA BASIN PROJECT

OKLAHOMA

WATER SUPPLY FOR AIR FORCE BASE

[Extract from] An act making appropriations for * * * certain agencies of the Department of the Interior, * * * for the fiscal year ending June 30, 1959, and for other purposes. (Act of September 2, 1958, 72 Stat. 1572, 1578, Public Law 85-863.)

* * *

Not to exceed \$600,000 of the amount appropriated herein for the Washita Basin project, Oklahoma, shall be nonreimbursable, representing that portion of the cost of the Foss Dam and Reservoir allocated to furnish a water supply for the Clinton-Sherman Air Force Base.

WASHOE PROJECT

NEVADA-CALIFORNIA

PROSSER CREEK DAM AND RESERVOIR

[Extract from] House of Representatives Report No. 2451, 85th Congress, 2d Session, August 5, 1958.

The Committee on Interior and Insular Affairs, to whom was referred the bill (S. 4009) to amend the act authorizing the Washoe reclamation project, Nevada and California, in order to increase the amount authorized to be appropriated for such project, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

Purpose. The purpose of this legislation is to authorize certain modifications in the plan of development for the Washoe project, Nevada and California, recommended by the Department of the Interior as a result of its detailed studies subsequent to authorization of the project. The revised amount authorized to be appropriated also reflects up-to-date cost estimates.

Background and need. The Washoe project was authorized by the act of August 1, 1956 (70 Stat. 775). It is a multiple-purpose project which will furnish water for the irrigation of about 50,000 acres of land and drainage service to about 31,000 acres. It will also provide flood control, develop hydroelectric power, maintain and improve fish and wildlife resources, and serve other beneficial purposes. The amount included in the authorizing act for construction of the Washoe project was \$43,700,000, plus such amounts as might be required by changing price levels. This latter provision increases the authorized appropriation to about \$49 million at April 1958 price levels.

Following authorization of the Washoe project, the Bureau of Reclamation initiated detailed studies for the purpose of preparing a definite plan report for the project. These detailed studies disclosed that development of a reservoir site on Prosser Creek above its mouth would be much superior to development at the Twin Valley site as originally proposed. Although somewhat more costly, the Prosser site would have significant multiple-use advantages. Not only would it meet the needs for fish and wildlife better than the Twin Valley site, but it would also furnish substantial additional flood protection for the Reno area. In addition, Prosser Creek Dam and Reservoir would better fit into the joint storage and channel improvement plans of the Bureau of Reclamation and the Corps of Engineers for flood control on the Truckee River. Elimination of Twin Valley and inclusion of Pros-

ser Creek will increase the basin project cost by a net of about \$3 million.

Cost. The total apparent increase in the authorized appropriation proposed by S. 4009 is thus composed of 2 factors: (1) An increase of about \$3 million resulting from changes in plan; (2) an increase of about \$5,300,000 arising from changes in price levels. The former figure is the true measure of the probable cost to the Government associated with enactment of the bill.

The legislation specifies April 1958 as the price-level base for the new authorized appropriation. The substitute figure which enactment of S. 4009 will place in the basic Washoe authorization will continue to be subject to adjustment if and as construction cost indexes show increases in costs of the types of construction involved in the project.

AMEND AUTHORIZING ACT

An act to amend the act authorizing the Washoe reclamation project, Nevada and California, in order to increase the amount authorized to be appropriated for such project. (Act of August 21, 1958, 72 Stat. 705, Public Law 85-706.)

That section 5 of the Act entitled "An Act to authorize the Secretary of the Interior to construct, operate, and maintain the Washoe reclamation project, Nevada and California," approved August 1, 1956 (70 Stat. 777), is amended by striking out "\$43,700,000" and inserting in lieu thereof "\$52,000,000 (April 1958 prices)".

NONREIMBURSABLE WATER SERVICE

[Extract from] An act making appropriations for public works for water and power resources development, including * * * certain agencies of the Department of the Interior, * * * for the fiscal year ending June 30, 1969, and for other purposes. (Act of August 12, 1968, 82 Stat. 705 and 709, Public Law 90-479.)

* * *

Construction and Rehabilitation * * * That of the amount appropriated herein for the Washoe Project, not to exceed \$600,000, representing the cost of providing water service on national forest lands under the administration of the United States Forest Service, shall be nonreimbursable.

* * *

WEBER BASIN PROJECT

UTAH

ACCESS ROADS

[Extract from] An act making appropriations for *** certain agencies of the Department of the Interior, *** for the fiscal year ending June 30, 1965, and for other purposes. (Act of August 30, 1964, 78 Stat. 688, Public Law 88-511.)

Construction and Rehabilitation. * * * That not to exceed \$150,000 of funds made available for improvement of access roads in the Weber Basin project area shall be nonreimbursable.

WICHITA PROJECT

KANSAS

CHENEY DIVISION

The feasibility report for the Cheney Division of Wichita project was transmitted by the Secretary of the Interior to the Congress on July 6, 1959 (H. Doc. No. 198, 86th Cong.). Construction was authorized by act of Congress on September 14, 1960 (74 Stat. 1026).

DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., March 13, 1959.

The SECRETARY OF THE INTERIOR.

SIR: This is my report on a plan of development for the Cheney division, Wichita project, Kansas. It is based upon your proposed report of May 21, 1958, as revised by the appended ¹ reappraisal report of February 1959.

Copies of your proposed report were transmitted to the States of the Arkansas River Basin and to the interested Federal agencies for review as required by law and by interagency agreement. All those who received the report officially have replied except the State of Arkansas which would not be directly affected. Copies of those letters of comment and of our replies to the Departments of Army, Agriculture, and Commerce are attached. ¹

The proposed project is favored by State and local interests, as evidenced by the letter from Governor Docking and resolutions adopted by officials of the city of Wichita. Those documents confirm the legal and financial ability and the willingness of the city to meet the project obligations.

The Chief of Engineers, Department of the Army, observed that the Congress may wish to consider whether this project should be developed under flood control or reclamation law. Our reply pointed out the history of the investigations, the inclusion of the project as a reclamation proposal in the Arkansas-White-Red River Basin report, and the subsequent contributions of funds by the city of Wichita to the Bureau for preparation of a report on the project as a joint development under reclamation law.

Other comments received were either favorable or offered no

¹ Excluded from this publication.

objection to the proposal. Comments on technical points and procedural aspects can be accommodated as necessary during the advance planning phase of the project, following authorization and appropriation of funds.

When the basic report on the Wichita project, Cheney division, was prepared in 1955 the area was in the midst of a dry period. The following year was also a drought year, but 1957, after the spring floods, was a more normal water year. It was felt advisable to reappraise the project to determine the effect of the unprecedented drought and increasing unit costs on the justifications for and feasibility of the project.

If the historic runoff of North Fork, Ninnescah River, were to be repeated after the project was built, the city would be enabled to draw 52,600 acre-feet of water from that source in all but 2 years of the 60-year period. The presence of ground water wells in productive aquifers, which could be heavily pumped during such a dry period, makes such shortages tolerable.

The project construction cost, based on October 1958 prices, was estimated to be \$18,274,000, compared with the report estimate of \$15,120,000. The resulting cost allocations, including interest during construction, are as follows:

	Report	Reappraisal
Municipal and industrial water	\$6,169,000	\$7,314,000
Flood control	4,527,000	6,614,000
Fish and wildlife	4,692,000	4,776,000
Recreation	304,000	304,000
Total	15,692,000	19,008,000

The ratio of benefits to costs, calculated on the basis of current costs and benefits over a 100-year period of analysis, is 2.96.

The increase in flood control allocation, in addition to that which would be attributable to proportional sharing of total cost increase, was due to a change in policy regarding use of the same benefit figures as were supplied to us by the Corps for the original report. In the original report, the calculated benefit for flood control was adjusted to an anticipated long-term price base. Our present practice, which is consistent with the Corps of Engineers practice in such cases, is to base benefits for flood control on present price levels without adjustment. Since, in the separable costs-remaining benefits method of allocation, total benefits to any purpose, if they are less than the cost of an alternative single-purpose project, determine the percentage of joint costs allocated to that purpose, this change in basic criteria had considerable influence on the cost allocation.

The city has, by resolution of the board of commissioners, signified its understanding of the above facts and expressed its willingness and ability to repay the costs allocated to municipal and industrial water supply with interest.

It is concluded, therefore, that the plan for development as presented in the basic report and appended documents including the

analysis required by Senate Resolution 148, 85th Congress, still has engineering and economic feasibility.

Accordingly, I recommend that you approve and adopt this as your report on the Wichita project, Cheney division, Kansas, and that you transmit it together with the attached ¹ comments to the President and subsequently to the Congress as required by the Reclamation Project Act of 1939.

Respectfully,

FLOYD E. DOMINY,
Acting Commissioner.

Approved and adopted, April 1, 1959.

FRED A. SEATON,
Secretary of the Interior.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., April 1, 1959.

THE PRESIDENT,
The White House
(Through the Bureau of the Budget.)

DEAR MR. PRESIDENT: My report on a plan of development for the Cheney division, Wichita project, Kansas, is submitted herewith as provided by the Reclamation Project Act of 1939 (53 Stat. 1187). The plan was formulated and coordinated with plans of the city of Wichita, Kans., as a joint development.

Joint development of the Cheney division would provide an urgently needed supplemental water supply for municipal and industrial uses in the city of Wichita. It also would provide fish and wildlife and recreational opportunities, substantial flood-control benefits, and permit irrigation of limited tracts of suitable land by minimizing downstream flooding through the regulation and storage of the flows of North Fork of Ninescah River.

Construction of the multipurpose Cheney Dam and Reservoir as a Federal undertaking at an estimated cost of about \$18,274,000 on the basis of October 1958 prices is found to be engineeringly feasible and economically justified. Of the economic cost, which includes interest during construction, about \$7,022,000 would be allocable to municipal and industrial water supply and would be reimbursable with interest. The remaining costs would be nonreimbursable Federal costs.

The proposed report on this division was coordinated with the affected States and interested Federal agencies as required by law and interagency agreement. Copies of the review comments received as a result of that coordination are enclosed with the report. Also enclosed is a copy of a reappraisal report dated February 1959 and of an analysis as required by Senate Resolution 148, 85th Congress.

I recommend that construction of the Cheney division, Wichita

¹ Excluded from this publication.

project, Kansas, be authorized under the plan of development set forth in my report. I shall appreciate having advice concerning the relationship of this recommended development to your program before I transmit the report to the Congress for its consideration.

Sincerely yours,

FRED A. SEATON,
Secretary of the Interior.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., June 19, 1959.

The Honorable the SECRETARY OF THE INTERIOR.

MY DEAR MR. SECRETARY: This will acknowledge your letter of April 1, 1959, transmitting your report on a proposed plan of development for the Cheney division, Wichita project, Kansas, and recommending that the plan of development be authorized as set forth in the report.

The proposed Cheney Dam and Reservoir would provide a supplemental water supply for the city of Wichita, substantial flood protection on the North Fork of the Ninnescah River and on the Ninnescah River below the dam, as well as fish, wildlife, and recreational opportunities principally at the reservoir. On the basis of October 1958 prices the construction cost of the dam and reservoir is estimated at \$18,274,000 and has been tentatively allocated in the report as follows:

Municipal and industrial water	\$ 7,022,000
Flood control	6,350,000
Fish and wildlife	4,598,000
Recreation	304,000
Total	<u>\$18,274,000</u>

The benefit-cost ratio based on a 50-year period of analysis for direct benefits only is stated to be 2.28.

The city of Wichita has expressed its willingness and ability to repay the costs allocated to municipal and industrial water supply with interest. It is reported that the city will also spend an estimated \$7,650,000 for construction of the pipeline and necessary treatment works to bring the water from the reservoir to the city. No reimbursement or initial cost sharing is proposed for the costs allocated to flood control.

The President recommended to the Congress in his January budget message that legislation be enacted to establish uniform cost sharing standards for flood protection projects. A draft bill to accomplish this purpose was transmitted to the Speaker of the House of Representatives and the President of the Senate by the Director of the Bureau of the Budget on May 5, 1959, and has since been introduced in the Senate as S. 2060. In general, it is proposed that non-Federal interests bear at least 30 percent of

project first cost allocated to flood prevention as well as all operation and maintenance costs allocated to flood prevention for all projects not yet under construction. In the case of reservoirs producing widespread benefits, non-Federal interests would participate only to the extent that flood prevention benefits are significant and accrue to identifiable groups.

The allocation of 25 percent of the first cost of the project to the provision of fish and wildlife opportunities appears to be highly questionable. In the absence of an acceptable method for calculating fish and wildlife values, the Bureau of the Budget considers that the decision to add features or capacity to a water resources project for fish and wildlife purposes can be based only on a well-informed judgment as to whether the additional cost is justified. Employing this test, both the fish and wildlife benefits and the costs allocated to fish and wildlife would be in effect equal to the added or separable cost of providing fish and wildlife values. This is the method employed in the report for allocating costs to recreation, likewise an incidental purpose of the project. It would appear from the report that the added cost of providing for fish and wildlife is \$540,000 and that only that amount should be allocated to fish and wildlife rather than \$4,598,000 as proposed in the report.

The report proposes to allocate costs among project purposes based on a 100-year period of analysis. The Bureau of the Budget has long considered that proposed water resources development projects should be evaluated within their expected economic life, but not beyond 50 years from the time project benefits become available. While the physical life of many projects will undoubtedly exceed 50 years, an assumption of economic life beyond 50 years is highly speculative, particularly if the rate of recent technological advance is projected into the future. In this case the use of a 100-year period of analysis results in a reduction of reimbursable costs by over \$1 million.

Using the separable costs-remaining benefits method and 50-year period of analysis and allocating to fish and wildlife and to recreation only the added costs of providing for these purposes, we have been advised informally by your Department that the costs of the proposed project would be allocated as follows:

Municipal and industrial water	\$10,520,000
Flood control	6,910,000
Fish and wildlife	540,000
Recreation	304,000
Total	18,274,000

Thus it would appear that the city of Wichita should reimburse the United States 57.6 percent of the cost of the project presently estimated at \$10,520,000.

Accordingly, while there would be no objection to submission of your proposed report to the Congress, the Bureau of the Budget would recommend that legislation to authorize the project include a provision requiring the city of Wichita to repay within

50 years with interest 57.6 percent of the cost of Cheney Dam and Reservoir. However, since the report does not recommend any non-Federal participation in the flood-control costs of the project, it is further recommended that authorization of the project be deferred until the Congress has had an opportunity to consider and act upon the draft flood control-cost-sharing bill referred to above. In any event no commitment can be made at this time as to when any estimate of appropriation will be submitted for construction of the project, if authorized by the Congress, since this would be governed by the President's budgetary objectives as determined by the then prevailing fiscal situation.

Sincerely yours,

ELMER B. STAATS,
Deputy Director.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., July 6, 1959.

Hon. SAM RAYBURN,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: My report on the Wichita project, Cheney Division, Kansas, is transmitted herewith pursuant to the provisions of section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187).

The report, prepared by the Bureau of Reclamation, presents a plan for construction of the multiple-purpose Cheney Dam and Reservoir to provide a supplemental supply of water for the city of Wichita, Kans. The necessary pumping plant and aqueduct will be built independently by the city. Flood protection, fish and wildlife conservation and development, and recreation are other benefits which will be realized from the project. The Fish and Wildlife Service, National Park Service, and the Corps of Engineers, Department of the Army, contributed data with regard to their interests. The plan has been coordinated with the plans of the city of Wichita, and that city has expressed its concurrence in the findings and its willingness to assume the repayment obligation if the project is authorized and built.

My proposed report was distributed to the interested Federal agencies and to the affected States for review and comment in accordance with the Flood Control Act of 1944 (58 Stat. 887) and interagency agreements on coordination of reports. Copies of the letters of comment received are attached to the report. There is also attached a letter from the Deputy Director, Bureau of the Budget, commenting upon the report as it affects the President's program and policies.

Sincerely yours,

FRED A. SEATON,
Secretary of the Interior.

CHENEY DIVISION AUTHORIZING ACT

An act to provide for the construction of the Cheney division, Wichita Federal reclamation project, Kansas, and for other purposes. (Act of September 14, 1960, 74 Stat. 1026, Public Law 86-787.)

SEC. 1. [**Construction authorized.**] That the Secretary of the Interior is hereby authorized to construct, operate and maintain the Cheney division, Wichita Federal reclamation project, consisting of a dam, reservoir, and related facilities near Cheney, Kansas, on the North Fork of the Ninnescah River, Kansas, for the purposes of furnishing water for municipal uses, controlling floods, facilitating irrigation, enhancing recreational opportunities, preserving and propagating fish and wildlife, and for related purposes.

SEC. 2. [**Reclamation laws govern.**] In constructing, operating, and maintaining the works authorized by this Act, the Secretary shall be governed by the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto), except as is otherwise provided in this Act.

SEC. 3. [**Repayment contract required.**] Construction of the project shall not be commenced, and no construction contracts therefor shall be awarded, until a contract or contracts complying with the provisions of this Act have been entered into with the city of Wichita under which it shall have obligated itself to repay to the United States, within a period of not more than forty years from the time water is first made available from said works, those portions of the Federal costs of constructing, operating, and maintaining the works herein authorized which are allocated to municipal water supply, and interest on the unamortized balance of the amount of construction costs so allocated including interest during construction. If any net revenues are derived from temporary water supply contracts, prior to the end of the repayment period for water furnished from, by, or through the works authorized herein, the construction cost obligation of the city may be decreased by that portion of the amount of any such net revenues which bears the same proportion to the total amount of such net revenues as the amount of the project costs allocated to municipal water supply bears to the total Federal costs of constructing the project. Interest shall be at the average rate, which rate shall be certified by the Secretary of the Treasury, paid by the United States on its marketable long-term securities outstanding on the date of this Act and adjusted to the nearest one-eighth of 1 per centum. Upon the completion of the payment of the city's construction cost obligation, together with the interest thereon, the city shall have a permanent right to the use of that portion of the storage space in the project allocable to municipal water supply purposes.

SEC. 4. [**Reclamation Act of 1939.**] Contracts may be entered into with the city of Wichita pursuant to the provisions of this Act without regard to the last sentence of subsection (c) of section 9 of the Reclamation Project Act of 1939.

SEC. 5. [**Transfer of works.**] The Secretary is authorized to transfer to the city of Wichita the care, operation, and maintenance of the works herein authorized and, if such transfer is made, to deduct from the obligation of the city the reasonable capitalized equivalent of that portion of the estimated operation and maintenance costs of the undertaking which, if the United States continued to operate the works, would be allocated to flood control and fish and wildlife purposes. Prior to taking over the care, operation, and maintenance of said works, the city shall obligate itself to operate them in accordance with criteria specified by the Secretary of the Army with respect to flood control and by the Secretary of the Interior with respect to fish and wildlife.

SEC. 6. [**Fish and wildlife preservation.**] The Secretary may make such reasonable provision in connection with the works of the Cheney division, Wichita Federal reclamation project, in accordance with section 2 of the Fish and Wildlife Coordination Act (48 Stat. 401, as amended, 16 U.S.C., sec. 661, and the following) as he finds to be required for the preservation and propagation of fish and wildlife, and to acquire approximately 2,500 acres of land for wildlife management purposes within and adjacent to Cheney Reservoir. A minimum pool of approximately ten thousand acre-feet shall be maintained in said reservoir for fish life. An appropriate portion of the construction cost of the Cheney division of the project shall be allocated as provided in said Act and it, together with the portion of the construction cost allocated to flood control and the portions of the operation and maintenance costs allocated to these functions or the equivalent capitalized value thereof, shall be nonreimbursable and nonreturnable under the Federal reclamation laws. Appropriate portions of the project area may be made available by the Secretary of the Interior to the Kansas Forestry, Fish and Game Commission for fish and wildlife management as provided in sections 3 and 4 of said Act.

SEC. 7. [**Recreation.**] The Secretary may, upon conclusion of a suitable agreement with any qualified agency of the State of Kansas or political subdivision or agency thereof for assumption of the administration, operation, and maintenance thereof at the earliest practicable date, provide minimum basic public recreation facilities at or near Cheney Reservoir and the cost thereof incurred by the United States shall be nonreimbursable and nonreturnable under the Federal reclamation laws.

SEC. 8. [**Soil survey requirements.**] Expenditures for Cheney Reservoir may be made without regard to the soil survey and land classification requirements of the Interior Department Appropriation Act, 1954 (67 Stat. 261, 266-267).

SEC. 9. [**Appropriation authorized.**] There is hereby authorized to be appropriated for construction of the works authorized by this Act not to exceed \$18,274,000, plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indices applicable to the types of construction involved herein.

YAKIMA PROJECT

WASHINGTON

TIETON, SUNNYSIDE, AND WAPATO PROJECTS CONSOLIDATED ¹

DEPARTMENT OF THE INTERIOR,
U.S. RECLAMATION SERVICE,
Washington, D.C., March 3, 1909.

The Honorable the SECRETARY OF THE INTERIOR.

SIR: The three projects in the State of Washington located on the Tieton and Yakima Rivers at and near North Yakima; namely, the Tieton, Sunnyside and Wapato projects, are so closely connected geographically and from an administrative standpoint that it seems desirable to bring them all under one organization and treat them as units of a single project. The four storage reservoirs of Bumping, Keechelus, Kachess and Cle Elum Lakes are also closely connected with the three projects mentioned.

At the present time the Tieton project is administered from the city of North Yakima and work is being done through the Tieton Canyon and on the lands to be irrigated extending down almost to the town of Parker on the Northern Pacific Railroad. At that point the Wapato project begins, and combined with the Sunnyside project and its extensions, will irrigate land along the Yakima River for a considerable distance below Prosser on the Northern Pacific Railroad. A project office has been opened at Toppenish, Wash., for the Wapato project, one at Zillah for the operation and maintenance department of the Sunnyside, and another at the town of Sunnyside for the construction department of the Sunnyside project. It is desired to combine all of these offices in a single administrative office at the town of North Yakima where the Reclamation Service owns a substantial office building with all modern conveniences and to consider the areas embraced in the present projects as units of one project to be known as the Yakima project, the units to be designated by the respective names at present applied to the three projects. On January 31 the allotments, expenditures and balances of allotments for these three projects were as follows:

Projects	Allotments	Expenditures	Balances
Tieton	\$1,469,000	\$1,080,020.70	\$388,979.30
Sunnyside	1,399,000	820,809.04	578,190.96
Wapato	119,000	13,424.77	105,575.23
Total	2,987,000	1,914,254.51	1,072,745.49

¹ This document omitted from 1957 edition.

You have heretofore authorized the allotments above in the several amounts indicated. It is now desired that you authorize the combining of these three projects into a single project consisting of the three units as above with a total allotment of \$2,987,000 of which there is at present unexpended \$1,072,745.49.

Very respectfully,

F. H. NEWELL,
Director.

Approved March 3, 1909, and action taken as recommended.
JAMES RUDOLPH GARFIELD,
Secretary.

YUMA PROJECT

ARIZONA-CALIFORNIA

NONREIMBURSABLE COSTS ¹

[Extract from] An act to authorize credits to certain public agencies in the United States for costs of construction and operation and maintenance of flood protective levee systems along or adjacent to the lower Colorado River in Arizona, California, and Lower California, Mexico. (Act of September 2, 1950, ch. 841, 64 Stat. 576, 577, Public Law 81-750.)

SEC. 2. [Relief of other costs allocable to Yuma project.] Any other costs and charges allocable or assignable to the Yuma project and not repayable under existing contracts, under water-right applications heretofore or hereafter filed, nor otherwise recoverable, all as may be determined from time to time in any instance by the Secretary of the Interior shall, less applicable credits, be non-reimbursable, and the Secretary, in his discretion, may declare any lands temporarily suspended from a paying status at the date of this enactment to be permanently unproductive, and may adjust the balance of individual construction charge accounts accordingly: *Provided*, That such adjustment shall not include any refund or credit for payment theretofore made on account of lands so declared permanently unproductive.

¹ This act omitted from 1957 edition.

YUMA AUXILIARY PROJECT

ARIZONA

MESA DIVISION ¹

Joint resolution to authorize the appropriation of certain amounts for the Yuma irrigation project, Arizona, and for other purposes. (Pub. Res. No. 51, February 21, 1925, 43 Stat. 962, 68th Cong.)

SEC. 1. [Amounts authorized to furnish water—Moneys received to be covered into reclamation fund—Installment payments—Existing contracts to conform to payments.] That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$200,000, to be paid out of the reclamation fund established by the act of June 17, 1902 (Thirty-second Statutes, page 388), for operation and maintenance and completion of construction of the irrigation system required to furnish water to all of the irrigable lands in part 1 of the Mesa division, otherwise known as the first Mesa unit of the Yuma auxiliary project, authorized by the act of January 25, 1917 (Thirty-ninth Statute, page 868), as amended by the act of February 11, 1918 (Fortieth Statutes, page 437): *Provided*, That all moneys received by the United States in payment of land and water rights in said part 1 of the Mesa division, beginning one year from the date this act becomes effective, shall be covered into the reclamation fund until the sum advanced from said fund hereunder is fully paid: *Provided further*, That the purchase price of land and water rights hereafter sold in said part 1 of the Mesa division shall be paid to the United States in ten equal installments, the first of which shall be due and payable at the date of purchase, and the remaining installments annually thereafter, with interest on deferred installments at the rate of 6 per centum per annum, payable annually; and the Secretary of the Interior is authorized, at any time within one year from the date this act becomes effective to amend any existing uncompleted contract for the purchase of land and water rights so that the aggregate amount of principal and interest remaining unpaid under such contract may be paid in ten equal installments in accordance with the conditions of this proviso, beginning with the date of amendatory contract: *And provided further*, That land and water rights in said part 1 of the Mesa division heretofore or hereafter offered at public sale under said act of January 25, 1917, and not disposed of at such public sale may be sold later at private sale at not less than \$25 per acre for the land and at \$200 per acre for the water right.

¹ This act omitted from 1957 edition.



INDEX

A

	<i>Page</i>
Access Roads	34, 403, 577
Acquisition of Indian Lands, Fort Peck Project	323
Agate Dam and Reservoir, Rogue River Basin Project	498
Ainsworth Unit, Missouri River Basin Project	391
Alamogordo Dam, Carlsbad Project	74
Alva B. Adams Tunnel, Colorado-Big Thompson Project	185
American River Division, Central Valley Project	115
Amistad Project	41
Angostura Unit, Missouri River Basin Project	393
Animas-La Plata Project	243, 251, 287
Appropriation Authorization Increases, Missouri River Basin Project	381, 388
Arapahoe Indian Tribe, Riverton Project	494
Arbuckle Project	42
Arnold Project	51
Auburn-Folsom South Unit, American River Division, Central Valley Project	115
Avondale Project	52, 491

B

Baker Project	53
Basalt Project	204, 336
Boca Dam, Truckee Storage Project	555
Boise Project	61
Bostwick Park Project	221
Boulder Canyon Project	62, 95
Adjustment Act	62
Boulder City Act	58
Buchanan Reservoir, Central Valley Project	149
Bully Creek Extension, Vale Project	565

C

Caballo Reservoir, Rio Grande Project	493
Canadian River Project	70
Caribou Forest, Palisades Project	472
Carlsbad Project	74, 371
Central Arizona Project	75
Central Utah Project	287
Central Valley Project	102
Chelan Division, Chief Joseph Dam Project	174
Cheney Division, Wichita Project	578
Chief Joseph Dam Project	154
Clair Engle Lake, Central Valley Project	103
Clinton-Sherman Air Force Base, Washita Basin Project	574
Cochiti Reservoir Permanent Pool, San Juan-Chama Project	220
Colorado-Big Thompson Project	182
Colorado River Basin Project Act	83
Colorado River Front Work and Levee System	186, 485
Colorado River Storage Project and Participating Projects	187
Columbia Basin Project	291
Compensate Indian Tribes	349, 494
Corps of Engineer Reservoirs	148
Coulee Dam Community Act, Columbia Basin Project	291
Crater-Long Lakes Division, Snettisham Project	514

	<i>Page</i>
Crescent Lake Dam Project	301
Crooked River Project	302
Crooked River Project Extension	305
Crow Tribe, Huntley Project	349, 402
Crystal Dam, Curecanti Unit, Colorado River Storage Project	196
Culbertson Dam, Missouri River Basin Project	394
Curecanti Unit, Colorado River Storage Project	191

D

Dallas Creek Project	251, 254, 287
Dalton Gardens Project	312, 491
Davis Dam Division, Parker-Davis Project	486
Delivery of Water to Mexico	36
Dickinson Unit, Missouri River Basin Project	394
Distribution and Drainage Facilities, Non-Indian Lands	94
Dixie Project	313
Reauthorization	93, 322
Dolores Project	251, 262, 287
Dry Falls Dam, Columbia Basin Project	291

E

Edward Arthur Patterson Lake, Missouri River Basin Project	394
Elephant Butte Reservoir, Rio Grande Project	493
Emergency Fund	23

F

Fact Finders' Act	v, vi
Falcon Project	41
Federal Water Project Recreation Act	xiii, 24
Fish and Wildlife and Recreation, San Juan-Chama Project	220
Fish and Wildlife Development, Canadian River Project	70
Flood Control Act of 1950, Carlsbad Project	74
Flood Control Act of 1958, Missouri River Basin Project	388
Flood Control Act of 1960, Missouri River Basin Project	389
Flood Control Act of 1962, Central Valley Project	148
Flood Control Act of 1966, Central Valley Project	150
Flood Control Costs, Gila Project	342
Fort Peck Project	323
Fort Thompson, Grand Island Transmission Line, Missouri River Basin Project	390
Foss Dam and Reservoir, Washita Basin Project	574
Foster Creek Division, Chief Joseph Dam Project	154
Frenchman-Cambridge Division, Missouri River Basin Project	394
Fruitland Mesa Project	228
Fryingpan-Arkansas Project	325

G

Garrison Diversion Unit, Missouri River Basin Project	403
Gila Project	342
Glen Canyon Bridge	202
Glen Canyon Land Exchange, Navajo Tribe	202
Glen Canyon Unit, Colorado River Storage Project	202
Glendo Unit, Missouri River Basin Project	397
Grand Valley Project	343
Grants Pass Project	347
Gray Reef Dam and Reservoir, Missouri River Basin Project	399
Greater Wenatchee Division, Chief Joseph Dam Project	156
Gulf Intracoastal Waterway Modification, Vale Project	572

H

	<i>Page</i>
Harry Strunk Lake, Missouri River Basin Project	395
Hawaii	33
Hayden Lake Unit, Rathdrum Prairie Project	491, 492
Heart Butte Unit, Missouri River Basin Project	401
Hidden Reservoir, Central Valley Project	149
Hungry Horse Project	348
Huntley Project	349

I

Interest Rate, Colorado River Storage Project	190
---	-----

J

Jamestown Unit, Missouri River Basin Project	401, 404
Joint Costs	29
Judge Francis Carr Powerhouse, Central Valley Project	103

L

La Feria Division, Lower Rio Grande Project	351
Lake Meredith, Canadian River Project	73
Lake Mohave, Parker-Davis Project	487
Lake Oahe, Missouri River Basin Project	440
Lake Solano, Solano Project	516
Lake Tschida, Missouri River Basin Project	401
Lakeview Addition, Boulder Canyon Project	68
Land Acquisition, Second Stage, Palmetto Bend Project	484
Land Development, Angostura, Missouri River Basin Project	393
Land Exchange, Navajo Tribe, Glen Canyon, Colorado River Storage Project	202
Lower Colorado River Basin Development Fund	94
Lower Rio Grande Project	351
Lower Teton Division, Teton Basin Project	540
Lugert-Altus Project, W. C. Austin Project	573

M

Malta Street Improvements, Milk River Project	379
Mann Creek Project	363
Manson Unit, Chelan Division, Chief Joseph Dam Project	174
Marysville Dam and Reservoir, Central Valley Project	150
McMillan Delta Project	370
Medicine Creek Reservoir, Missouri River Basin Project	395
Mercedes Division, Lower Rio Grande Project	357
Mesa Division, Yuma Auxiliary Project	589
Mexican Treaty [Extract], Parker-Davis Project	487
Milk River Project	379
Minidoka Project	380
Missouri River Basin Project	381
Monticello Dam, Solano Project	516
Mountain Park Project	441
Municipal and Industrial Water Supply, Spokane Valley Project	534
Municipal Water	vii

N

Navajo Indian Irrigation Project	205
Navajo Tribe, Glen Canyon Unit, Colorado River Storage Project	202
Nebraska-Mid-state Division, Missouri River Basin	421
New Melones Project, Central Valley Project	148
Non-Indian Lands, Distribution and Drainage Facilities	94
Nonproject Costs, Boulder Canyon Project	65
Norman Project	452

O

	<i>Page</i>
Oahe Unit, James Division, Missouri River Basin	430
Ochoco Reservoir	303
Okanogan-Similkameen Division, Chief Joseph Dam Project	161, 166
Omnibus Adjustment Act	vi
Orchard Mesa Division, Grand Valley Project	343
Oroville-Tonasket Unit, Chief Joseph Dam Project	161

P

Pacific Northwest-Southwest Intertie	95, 460
Pactola Dam, Missouri River Basin Project	402
Palisades Project	472
Palmetto Bend Project	474
Palo Verde Diversion Project	485
Paradise Valley Diversion Dam, Milk River Project	379
Parker Dam Decision, Parker-Davis Project	486
Parker-Davis Project	95, 486
Pecos River Basin Water Salvage Project	488
Pine River Extension Project, Deauthorization	287
Pipe Rehabilitation, Avondale, Dalton Gardens, and Hayden Lake	491
Pipe Replacement, Gila Project	342
Power Development Restrictions, Boise Project	61
Power Pool, Minidoka Project	380
Prosser Creek Dam and Reservoir, Washoe Project	575
Protection and Drainage Works, Colorado River Front Work and Levee System	186
Public Recreation Facilities, Canadian River Project	73
Public Roads, Utilization of	34
Public Use and Safety Facilities	74, 394, 401, 516

R

Rapid Valley Unit, Missouri River Basin Project	402
Rathdrum Prairie Project	491
Reauthorization of New Work, Missouri River Basin Project	389
Recreation Facilities, Canadian River Project	73
Recreational Facilities at Elephant Butte, Rio Grande Project	493
Red Willow Dam, Missouri River Basin Project	395
Right-of-way Transfer, Yellowtail Unit, Missouri River Basin Project	402
Rio Grande International Storage Project	493
Rio Grande Project	494
Riverton Project	498
Roads, Public, Utilization of	41
Rogue River Basin Project	34
Ruedi Dam and Reservoir, Fryingpan-Arkansas Project	332, 336
Rufus Woods Lake, Chief Joseph Dam	154

S

Sacramento River Division, Central Valley Project	136
Safety and Public Use Facilities	74, 394, 401, 516
Salt River Project, Theodore Roosevelt Dam	503
San Angelo Project	504
San Diego Project	513
San Felipe Division, Central Valley Project	137
San Juan-Chama Project	205
San Luis Unit, Central Valley Project	104
San Miguel Project	251, 271, 287
Sanford Reservoir Area, Recreation, Canadian River Project	73
Savage Rapids Dam, Grants Pass Project	347
Savery-Pot Hook Project	233
Second Barrel, San Diego Project	513
Separable Costs	29
Sewerage System, Glendo Unit, Missouri River Basin Project	397

	<i>Page</i>
Shoshone Indian Tribe, Riverton Project	494
Small Reclamation Projects	xiii, 31
SNAKE RIVER BASIN POWER POOL, MINIDOKA PROJECT	380
Snettisham Project	514
Solano Project	516
Southern Nevada Water Project	517
Spokane Valley Project	528
Study and Report, Chief Joseph Dam Project	155
Sunnyside Project, Yakima Project	586
Swanson Lake, Missouri River Basin Project	394

T

Talent Division, Agate Dam and Reservoir, Rogue River Basin Project	498
Targhee National Forest, Palisades Project	472
Tehama-Colusa Canal, Sacramento River Division, Central Valley Project	136
Temporary Weir, Palo Verde Diversion Project	485
Teton Basin Project	540
The Dalles Project	549
Theodore Roosevelt Dam, Salt River Project	503
Third Division, Riverton Project	495
Third Powerplant, Columbia Basin Project	293
Tiber Dam, Missouri River Basin Project	390
Tieton Project, Yakima Project	586
Trenton Dam, Missouri River Basin Project	394
Trinity Division, Central Valley Project	102
Truckee Storage Project	555
Tualatin Project	556

U

Uintah Unit, Central Utah Project	287
Upper Division, Baker Project	53
Utilization of Public Roads	34

V

Vale Project, Bully Creek Extension	565
---	-----

W

W. C. Austin Project	573
Wapato Project, Yakima Project	586
Warren Act	iv
Washita Basin Project	574
Washoe Project	575
Water Conservation and Utilization Act	xii
Water Resources Planning Act	xiv
Water Supply Act	xiii
Weber Basin Project	577
Wellton-Mohawk Division, Gila Project	342
West Divide Project	251, 279, 287
Western Division, The Dalles Project	549
Whitestone Coulee Unit, Okanogan-Similkameen Division, Chief Joseph Dam Project	166
Wichita Project	578

Y

Yakima Project	586
Yellowtail Unit, Missouri River Basin Project	402
Yuma Auxiliary Project	589
Yuma Mesa Division, Gila Project	342
Yuma Project	588

